S. Hrg. 98-901

THE TRADEMARK CLARIFICATION ACT OF 1983

HEARING

BEFORE THE

SUBCOMMITTEE ON
PATENTS, COPYRIGHTS AND TRADEMARKS

OF THE

COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 1990

A BILL TO CLARIFY THE CIRCUMSTANCES UNDER WHICH A TRADEMARK MAY BE CANCELED OR ABANDONED

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THE TRADEMARK CLARIFICATION ACT OF 1983

WEDNESDAY, FEBRUARY 1, 1984

U.S. SENATE,
SUBCOMMITTEE ON PATENTS,
COPYRIGHTS AND TRADEMARKS,
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:04 a.m., in room SR-385, Russell Senate Office Building, Senator Orrin G. Hatch (member of the subcommittee) presiding.

Also present: Senator Leahy.

Staff present: Randall R. Rader, general counsel, Subcommittee on the Constitution; Thomas P. Olson, counsel, Subcommittee on Patents, Copyrights and Trademarks; and John D. Podesta, minority chief counsel, Subcommittee on Security and Terrorism.

OPENING STATEMENT OF SENATOR ORRIN G. HATCH

Senator HATCH. We'll begin this morning.

Since 1881, trademarks have served to protect both producers and consumers in the marketplace. The Lanham Trademark Act of 1946 protects a trademark owner's marketable reputation and assures consumers of the product's source and quality.

The Lanham Act provides for a cancellation of a Federal trademark registration when it becomes the common descriptive name of an article or substance. "Aspirin" and "escalator" are examples of trademarks that have become common descriptive names.

For more than 60 years the courts have followed clear rules for determining when a trademark has become generic. The test for genericness first articulated by Judge Learned Hand in the *Bayer* case is based on whether the majority of the public recognizes and accepts the term as a trademark.

Sixty years of clarity and stability under this standard were challenged last year when a single circuit court deviated from this judicial test.

In the case of *Anti-Monopoly* v. *General Mills* the court held that the term "Monopoly" was generic because a public survey revealed that consumers bought the game because they desired to play a specific real estate trading game, not because the game was produced by a specific company, in this case Parker Bros.

The ninth circuit court ignored the traditional inquiry into the public's recognition and acceptance of the term as a trademark. As a result, the *Anti-Monopoly* case created a new "motivational test," based on what motivates the consumer to purchase a product—its source or its use.

This new motivational test does not recognize that a consumer can rely on a trademark in order to obtain a specific, even unique product, even though the consumer cannot identify the product's manufacturer by name.

This controversial rule could deny brand name status to countless products that have always been bought by brand simply because the consumer cannot name the maker himself.

Robert C. Lyne, Jr., chief patent counsel for Reynolds Aluminum Co., best summed up the dilemma created by this new test by stating:

> The point of trademark protection is to permit a purchaser to recognize the goods he wishes to buy, and to distinguish them from other goods. It is not to enable him to match up various goods with the companies that sell them.

This hearing will examine the principles underlying the *Anti-Monopoly* case and legislation to clarify the genericness standard of trademark law. S. 1990, cosponsored by 11 members of the Judiciary Committee, returns basically to Judge Learned Hand's proven test—still the law everywhere outside the ninth circuit.

We look forward to receiving the insight of these respected witnesses into the *Anti-Monopoly* case and S. 1990.

[A copy of S. 1990 follows:]

II

98TH CONGRESS
1ST SESSION

S. 1990

To clarify the circumstances under which a trademark may be canceled or abandoned.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21 (legislative day, OCTOBER 17), 1983

Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. LAXALT, Mr. DOLE, Mr. SIMPSON, Mr. GRASSLEY, Mr. EAST, Mr. DECONCINI, Mr. BAUCUS, Mr. HEFLIN, Mr. MCCLURE, and Mr. HELMS) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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A BILL

To clarify the circumstances under which a trademark may be canceled or abandoned.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade-Mark Clarification Act of 1983".

SEC. 2. Section 14(c) of the Lanham Trade-Mark Act (15 U.S.C. 1064(c)) is amended by adding before the semicolon at the end of such section the following: ", except that a registered mark shall not be deemed to be the common descriptive name of goods or services merely because such mark is also used as a proper name of or to identify a unique product or service. The primary significance of the registered mark to the purchasing public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used".

SEC. 3. Section 45 of the Lanham Trade-Mark Act (15 U.S.C. 1127) is amended as follows:

(a) Strike out "The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." and insert in lieu thereof the following: "The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, albeit anonymous.".

(b) Strike out "The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others." and insert in lieu thereof the following: "The term 'service mark' means a mark used in the sale or advertising of services to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, albeit anonymous.".

(c) Add at the end of subparagraph (b) in the definition of "Abandonment of mark" the following new sentence: "The primary significance of the mark to the purchasing public rather than purchaser motivation shall be the test for determining abandonment under this subparagraph.".

○

Senator **Hatch**. I particularly want to thank the chairman of this subcommittee, Senator Mathias, for granting this day of hearing and granting this bill the opportunity for consideration by this subcommittee.

I'm very happy to have Senator Leahy here, and, Senator, we'll turn to you at this time.

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator **Leahy**. Thank you, Mr. Chairman. I'm also delighted that we're having the hearing, that you're taking time to be here and chair this, and that Senator Mathias made it possible. I will leave part way through the hearing because we have one of those unique pieces of legislation that involves only 1 State of the 50 States coming up before the Agriculture Committee in about 45 minutes. It's pure coincidence—that State is Vermont.

But I don't want to say or suggest in any way I don't think this is important. I think it very definitely is important. The chairman mentioned the ninth circuit case and the Anti-Monopoly game. The survey used by the court in that case determined that a majority of consumers buying Monopoly did not identify a loyalty to the game's producer as the primary purchase consideration. And the court, therefore, held that the word "monopoly" primarily denoted a product rather than the source of a product and so it became a common descriptive term incapable of receiving trademark protection.

I've read and reread that and I have a great deal of difficulty following the court's logic, and I don't think I'm alone in this, and I think a number of people in this room have difficulty following it.

Because the case set forth a rule that I think is logically unsound, it's quite unsuited to the practical task of identifying trademarks that have become generic, as that word has always been understood, and, therefore, I think it should be canceled. It's a case that cries out for legislative action.

The new judicial standard radically departs from the accepted test, makes the validity of a trademark dependent upon whether the majority of the public purchased the product because they know and like the producer.

I own many products that I don't know the producer of.

I think the new standard threatens both producers and consumers. Producers may be less likely to invest time and money into the promotion of a new product fearful that on the basis of a questionable consumer motivation survey the trademark may be declared generic.

Consumers would no longer be able to associate a brand name with a specific promise of quality, because the brand name will not denote a specific source.

Consumers should always have the choice of generic or branded products. But that variety should not be fostered by the unwarranted cancellation of a trademark carefully nurtured over a long time.

I believe the beneficiaries of the bill that Senator Hatch and I are introducing will be countless trademark owners and ultimately the consuming public.

Our bill amending the U.S. Trademark Act, commonly referred to as the Lanham Act, restores the former law in a straightforward manner. It's been carefully drawn so that new ambiguities are not introduced. It doesn't tip the balance under prior law in favor of the maintenance of a given trademark. It does nothing more than cure the problem created by the ninth circuit.

This bill requires that purchaser motivation may not be utilized in trademark cancellation analysis. Purchasing motivation is irrelevant to the issue of what is the primary significance of a term to the consuming public.

Were motivation the proper test, most trademarks would be in jeopardy today. Think of that for a moment. Really, if motivation would be the test, I can think of very few trademarks, Mr. Chairman, that wouldn't be in jeopardy.

Anyone could conduct a survey and on the basis of those results declare the product generic. So, our bill performs a dual function: It protects a unique product, and clarifies the existing standard for determination of a trademark.

The average consumer must still understand that the product emanates from a single source, even if the source is anonymous. I hope that we can have speedy passage of this bill. And to aid that, I'll even stop talking and put my great speech in the record, Mr. Chairman, and let's get on with the hearing.

Senator HATCH. Thank you, Senator. Without objection, your complete remarks will be made a part of the record.

[The prepared statement of Senator Leahy follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

In 1982 the Ninth Circuit, in an unprecedented step, held that the game Monopoly was no longer entitled to trademark protection because the term "monopoly" was generic. The basis for the decision was a survey conducted by the respondent, a competitor producing a game called Anti-Monopoly. The survey determined that a majority of consumers buying Monopoly did not identify a loyalty to the game's producer as the primary purchase consideration. The court therefore held that the word "monopoly" primarily denoted a product, rather than the source of a product, and so became a common descriptive term incapable of receiving trademark protection.

If you are having a problem following the Court's logic, you are not alone. The Anti-Monopoly case set forth a rule that is logically unsound and quite unsuited to the practical task of identifying trademarks that have become generic, as that word has always been understood, and should be canceled.

This new judicial standard radically departs from accepted tests and makes the validity of a trademark depend upon whether a majority of the public purchases a product because they know and like the producer. This new standard threatens both producers and consumers. Producers may be less likely to invest time and money into the promotion of a new product, fearful that on the basis of a questionable consumer motivation survey, the trademark may be declared generic. Consumers will no longer be able to associate a brand name with a specific promise of quality, because the brand name will not denote a specific source. Consumers should always have the choice of generic or branded products, but that variety should not be fostered by the unwarranted cancellation of a trademark carefully nurtured over a long time.

The beneficiaries of this bill will be countless trademark owners and ultimately the consuming public.

I am happy to cosponsor S. 1990 today with my colleague, Senator Hatch. This bill amends the U.S. Trademark Act, commonly referred to as the Lanham Act. Our bill restores the former law in a straightforward manner and has been carefully drawn so that new ambiguities are not introduced. It does not tip the balance under prior law in favor of the maintenance of a given trademark. It does nothing more than cure the problem created in the Ninth Circuit.

This bill requires that purchaser motivation not be utilized in a trademark cancellation analysis. Purchasing motivation is irrelevant to the issue of what is the primary significance of a term to the consuming public. Were motivation the proper test, most trademarks would be in jeopardy. Any "pirate" could conduct a survey, and on the basis of those results, declare the product generic.

This bill performs a dual function: It protects the unique product and clarifies the existing standard for determination of a trademark. The average consumer must still understand that the product emanates from a single source, even if the source is anonymous.

I recommend speedy passage of this bill to protect the good will of countless trademark owners and to help assure continued consumer satisfaction.

Senator HATCH. That was a great speech. Although it is early in the morning, it certainly has awakened me.

Our first witness today is Mr. Gerald Mossinghoff. Mr. Mossinghoff is the highly respected Assistant Secretary of Commerce and the Commissioner of Patents and Trademarks. We welcome you to the subcommittee and look forward to your advice relative to S. 1990. We'd also be pleased to have you introduce your companion here today.

STATEMENT OF HON. GERALD J. MOSSINGHOFF, ASSISTANT SECRETARY AND COMMISSIONER OF PATENTS AND TRADEMARKS, ACCOMPANIED BY MARGARET LAURENCE, ASSISTANT COMMISSIONER FOR TRADEMARKS, PATENT AND TRADEMARK OFFICE, DEPARTMENT OF COMMERCE

Mr. MOSSINGHOFF. Thank you, Mr. Chairman.

Mr. Chairman, Senator Leahy, accompanying me this morning is Margaret Laurence, who is our Assistant Commissioner for Trademarks in the Patent and Trademark Office.

We appreciate this opportunity to be here this morning and express the support of the Department of Commerce for S. 1990, the bill that you just described.

In essence that bill, as we read it, would bar the use of motivational tests to determine genericness such as the one used in the *Anti-Monopoly* decision of the Ninth Circuit Court of Appeals.

In the case of *Prudential Insurance* v. *Gibraltar Finance Corporation,* which followed the *Anti-Monopoly* case, the ninth circuit again referred to the Monopoly motivational survey as one conducted according to accepted principles.

And in the case of *The Nestle Company* v. *Chester's Market, Inc.,* a district court in Connecticut held that the term "Toll House" was generic citing the *Anti-Monopoly* decision extensively.

In my view, this trend needs to be brought to an abrupt halt before the confusion that the motivational test has caused creates trademark chaos.

I understand that the bill is not designed to expand existing law or establish new standards, definitions, or boundaries with respect to a mark which has lost its significance as a trademark and become the common descriptive names of goods or service.

In my view, the bill clarifies the Lanham Trademark Act by reaffirming and spelling out the basic principles that have underscored the trademark law of genericness for more than 60 years.

The basic test is the level of consumer understanding regarding the mark in question; that is, do consumers recognize the trademark as the name of a product that comes from a particular source, even though they may not be able to identify that source.

The Patent and Trademark Office has stated its disagreement with the ninth circuit *Anti-Monopoly* decision in its brief before the Court of Appeals for the Federal Circuit in the case of *In re Polar Music International.*

We also noted in this brief that we agree with Judge Helen Nies' concurring opinion in the case of *In re D.C. Comics, Inc.,* in discussing purchaser motivation. She noted that: "Motivation does not change a descriptive term which has acquired distinctiveness, or any arbitrary word, name, symbol or device into a generic designation." And we agree with that.

The Second Circuit Court of Appeals also disagrees with the ninth circuit. In the case of *Warner Bros. Inc.* v. *Gay Toys, Inc.,* the court held that a trademark owner need only show that the mark identified goods of a particular source, not that the consumers are motivated to buy the goods because they believe the goods are made or sponsored by a particular source.

In discussing consumer motivation, the second circuit cites Judge Nies' opinion favorably in the *D.C. Comics* case.

Let me point out for the record, Mr. Chairman, that although we strongly disagree with the motivational test, the Patent and Trademark Office takes no position on whether the mark "Monopoly" is or is not generic under the proper test.

Section 2 of the bill amends section 14(c) of the Lanham Trademark Act by adding at the end of the section:

> Except that a registered mark shall not be deemed to be the common descriptive name of goods or services merely because such mark is also used as a proper name of or to identify a unique product or service. The primary significance of the registered mark to the purchasing public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive names of goods or services in connection with which it has been used.

We assume that the legislative history will show that the phrase "primary significance of the registered mark to the purchasing public" refers to a determination of whether a mark is perceived by purchasers as indicating a singleness of source

Thus, for example, if a purchaser who encounters the word "Star" on a box of soap would believe that the source of that box of soap is the same as the source of all other boxes of soap bearing the word "Star," "Star" would function indeed as a trademark.

It functions as a trademark even if the purchaser does not know or does not care to know the identification of the company that manufactured the soap bearing the word "Star."

Likewise, we assume that the legislative history will show that the purchaser motivation test which would be prohibited is the type of test used in the *Anti-Monopoly* decision.

Subsections 3(a) and 3(b) of the bill amend the definition of trademark and service mark to make it clear that the goods or services on or with which the trademark or service mark is used include unique products or services and that the source of those goods or services may be anonymous.

While we support this change, Mr. Chairman, we would suggest that the subcommittee may at least consider the language in the companion bill in the House of Representatives, H.R. 4460. The

House bill uses the phrase "even if that source is unknown" rather than the phrase "albeit anonymous," which is used in S. 1990.

We also have a suggestion with respect to the phrase "common descriptive name of an article or substance" in section 14(c) of the act. Although this has always been construed to include services, the subcommittee may at this time wish to add the word "service" to that section.

Finally we agree that the definition of "Abandonment" in section 45 of the Lanham Act should be amended to preclude the use of a purchaser motivational test. There are, however, various acts of commission or omission which can lead to the abandonment of a mark in addition to such a test.

For example, failing to provide for quality control in a trademark license can result in the abandonment of a mark. Therefore, we would suggest that the sentence proposed in section 3(c) of the bill be changed to read "Purchaser motivation shall not be a test for determining abandonment under this subparagraph."

In conclusion, the Department of Commerce strongly supports the intent of S. 1990 to clarify the issue of when trademarks should be held generic. In general, we have no concrete suggestions other than the drafting points which we have mentioned.

However, we would be pleased to work with you and the subcommittee in any way appropriate.

Mr. Chairman, that concludes my prepared statement.

Senator HATCH. Thank you. Your statement will be printed in full in the record without objection.

In your opinion, Mr. Mossinghoff, is this bill constructed narrowly enough to reverse the erroneous "Anti-Monopoly" standard without causing any disruption in other established trademark doctrines?

Mr. MOSSINGHOFF. We believe it is, Mr. Chairman. We think that you and the subcommittee staff have done a good job of narrowing the bill to simply preclude the kind of test which we think was erroneously used in the *Anti-Monopoly* case.

Senator HATCH. All right. At the heart of this issue is the function of the trademark. If a trademark is solely a denoter of a product's source, then the ninth circuit's inquiry into the sufficiency of the mark as a means to divulge a product's source may make more sense.

But what are the functions of the trademark, and how are those functions respected by the 60-year-old test for determining genericness?

Mr. MOSSINGHOFF. Well, the major functions of a trademark are threefold. First, they identify goods and services that people buy, and that's without regard to whether you know what the source of the product or service is.

Some marks have the dual function of identifying the source and the product. For example, Kodak film. You buy it because you're very satisfied with Kodak film that you bought the last time. You also happen to know that it came from the Kodak Co. because the names are the same.

On the other hand, in every day life you come across trademarks where you really don't know the source, very famous trademarks. My family has used Ivory soap for years, and I may get some letters on this, but I don't have the slightest idea who makes Ivory soap. But I sure wouldn't want that to become generic, because then I would be confused about the kind of soap we would use.

So, the principal function of a trademark is to identify goods and to say that these goods are the same as you bought last week.

Second, it guarantees the quality is the same. And, indeed, trademark owners have an obligation, if they license their trademark, to insure strict quality control standards, or else they get in trouble with their license.

Then, finally, in this age of mass marketing, trademarks are really the only vehicle for advertising to be tied to new products that enter the market. So, trademarks serve a very important function in permitting entrepreneurs to establish reputations and then to benefit from those reputations, and to have the consumers benefit from those reputations.

Senator **Hatch**. At this point, I would like to submit and have printed in the record a recent article from the New York Times which specifically deals with this legislation.

[The article referred to follows:]

[From The New York Times, Sept. 7, 1983]

A Lot Rides on a Good Name

TRADEMARK LAW IS UNSETTLED

(By Paul Hemp)

To most people, the board game Monopoly is nothing more than a pleasant diversion. But for executives at the Nestlé Company and many other consumer products concerns, a lot more than $200 for passing Go has been riding on the well-known Parker Brothers game.

Last month, a controversial trademark case involving Monopoly was invoked by a Federal court in New York to support its finding that Nestlé's "Toll House cookie" is a generic name. A generic name is one that no longer identifies a particular producer and is therefore not protected by trademark law. The Monopoly case, decided by a Federal appeals court in San Francisco last year, had held that the Monopoly name, too, was a generic term.

In the intervening year the Monopoly decision has been left intact by the Supreme Court, which in February refused to review it. Besides the recent Nestlé decision, the Monopoly case has been cited in a finding that Eastern Air Lines' "Air-Shuttle" is a generic name. Moreover, the decision, Anti-Monopoly Inc. v. General Mills Fun Group Inc., has prompted increased sensitivity on the part of some businesses about their brand names. To that end, companies are stepping up existing programs meant to prevent their trademarks from slipping into generic use.

The case "has put the fear of God in people," said J. Thomas McCarthy, who teaches trademark law at the University of San Francisco Law School. "Marketers are listening to their trademark lawyers more now."

In the Monopoly case, the appeals court said courts may look to the motivation behind a buyer's purchase of a product, as well as his perception of the product's name, in determining whether that name is generic. The case has been criticized by many legal commentators as an aberration from traditional trademark law.

The Supreme Court, in a case involving the name "shredded wheat," said in the 1930's that a name becomes generic and loses trademark status when the "primary significance" of the term in the minds of the consuming public is the product and not the producer.

Courts have held that, through years of use, such names as thermos, aspirin and shredded wheat have become part of the language and so lost their trademark status.

But if the name signified a "single, albeit anonymous, source," then it has usually been protected by courts, according to Mr. McCarthy. Such names as Teflon, Formica and Coke have been upheld as trademarks.

In the Monopoly case, General Mills, which owns Parker Brothers, sued the makers of Anti-Monopoly, a game that rewards players for breaking up monopolies. This time, however, the court, in addition to looking to consumer perception of the name "Monopoly," focused on whether consumers were motivated to buy the game because Parker Brothers made it. The court found most were not so motivated.

This motivation test has been roundly criticized as irrelevant.

"The only people who are going to buy a Parker Brothers product because they like Parker Brothers are the stockholders," said Brian Leitten, a trademark attorney at Hillenbrand Industries, makers of American Tourister luggage.

Esoteric and extraneous

The motivation test has also been criticized by the United States Patent and Trademark Office. It has been assailed by an appeals judge in another circuit as "an esoteric and extraneous inquiry." It was ignored by another panel of judges in the same circuit in a later case upholding the trademark status of "Coke." And it has prompted Senator Orrin G. Hatch, Republican of Utah, who said that "most popular quality brands" are threatened by the Anti-Monopoly decision, to propose an amendment to Federal trademark laws that would outlaw the motivation test.

But the Monopoly case itself has retained its force, despite the criticism. Two recent decisions invoked the case, though without expressly relying on its motivation test.

In the Nestlé Company Inc. v. Saccone's Toll House Inc., Nestlé sued the Toll House restaurant, where toll house cookies were first baked more than 40 years ago, for continuing to sell cookies under the Toll House name. Nestlé said it owned the right to use the Toll House trademark for its chocolate chips. But a Federal District Court found that the term "toll house" does not identify the producer of the ingredients in the cookies. It "is now merely a descriptive term for a type of cookie," it said.

In Eastern Air Lines Inc. v. New York Airlines Inc. a Federal district court held that the term "shuttle" was generic and did not primarily denote Eastern's Air-Shuttle service.

The Anti-Monopoly case, even if an aberration, has also resulted in heightened awareness of trademark issues among manufacturers.

The United States Gypsum Company, which makes Sheetrock Brand wall board, has increased advertising intended to educate the public that Sheetrock is a brand, not a generic, name, according to Kenneth E. Roberts, a attorney with the company. "There is increased corporate sensitivity that our own brand may have some of the same problems discussed in the Monopoly case," he said.

Line extension

Another method often used by producers to protect a trademark is so-called line extension, where a brand name that is becoming generic is given to a number of different products. The use of the name Vaseline on products other than petroleum jelly, and Kleenex for products besides facial tissue are examples of this.

A company may also try to associate a popular trademark with a generic term—for instance, "Jello Brand gelatin"—or simply affix the word "brand" to the product name whenever possible, as in "Sanka Brand" decaffeinated coffee.

Advertising can be less subtle. Well-known companies such as Xerox confront the problem head on by admonishing the consumer to use the company's name only in reference to the product. "So please: copy things, don't 'Xerox' them," one brochure implores.

Companies also keep a close watch on dictionaries, which may transform a name into a generic term. The judge in the Toll House case, in finding the term generic, found persuasive the term's inclusion in the Random House College Dictionary. The judge noted wryly that the Swiss company's product was labeled an "Americanism."

Companies must also show more care in their treatment of brand names in internal communications, legal experts said. In the Toll House case, the judge looked to a study conducted by Nestlé before the litigation that found the well-known term Toll House was primarily associated with chocolate chip cookies, not Nestlé.

But part of the criticism of the motivation test in Anti-Monopoly is that it precludes the effectiveness of many of the normal precautionary measures taken by companies to affect consumer perception.

As for Parker Brothers, it has shifted from a cautious policy that limited outside use of the Monopoly name to one of actively licensing the trademark to makers of glassware and other products, according to Bruce Jones, vice president for marketing at Parker Brothers.

"The conservative approach did not stand us in good stead," Mr. Jones said, "so now we're trying an aggressive approach."

Senator HATCH. This article notes that the motivation test precludes many of the normal precautionary measures a company may take to protect its trademark.

What, in your opinion, is the basis for this comment?

Mr. MOSSINGHOFF. Well, companies do have an obligation to police their marks to see that the marks do not become generic.

And indeed, you mentioned in your opening statement two of the most famous cases where the companies did not take whatever steps were appropriate to keep aspirin and escalator from becoming generic. And once the public regards the trademark as simply the generic description of the goods, then under the existing trademark law—the Lanham Act—the mark loses its function as a mark, and it falls into the public domain.

Companies are very alert to this. They police dictionaries that are put out. They make sure that through informational advertising the public is aware that something is a trademark and is not the generic name.

So these are all, I think, the normal precautionary measures that companies take that are referred to in the New York Times article.

This motivational test would be something under which they couldn't take steps to prevent genericness—there's no rational thing that a company could do to make sure that the trademark identifies the source except in the case, say, of Kodak, where the trademark and the source were one and the same name. But that is not the way trademark law works.

Senator HATCH. Well, thank you. We appreciate your testimony here today. Senator Leahy, do you have any questions?

Senator LEAHY. Thank you, Mr. Chairman.

One thing you touched on, Mr. Mossinghoff, in your testimony, was the fact that there have been a couple of other cases, the *Toll House* case, and the *Prudential* v. *Gibraltar*. Do you see this as a definite trend? I mean, do you see a lot of cases about to come down the pike as a result of the Monopoly case?

Mr. MOSSINGHOFF. Senator, I'm not sure I see it as a trend, but I sure see it as a source of confusion around the circuits. This is a famous case. It will be cited by one side or the other depending on what serves their purpose, and it clearly will create confusion.

I would hope that the general view, if there were no legislation, is that the courts would follow the *D.C. Comics* rationale of Judge Nies. And indeed, there's a second circuit decision which cited that case. But it sure does add a lot of confusion to an area which until now was not all that confusing, and in which business executives could depend on there being stability in the law.

Senator LEAHY. But you haven't seen a trend of cases distinguishing the *Anti-Monopoly* case, though, have you?

Mr. MOSSINGHOFF. Just the *D.C. Comics* case and the Second Circuit Court of Appeals. But those cases really aren't on all fours with the *Anti-Monopoly* case.

Senator LEAHY. I think the testimony, reading through the various testimony for this morning seems to indicate the same thing, but I take it you feel that the most important thing to do is to legislate, and not to leave it for the courts to kind of sift this whole thing out?

Mr. **Mossinghoff**. Very definitely.

Senator **Leahy**. Is that ultimately helpful to the consumers to do that? If we were to pass legislation along the lines that we've introduced, certainly taking into consideration the modifications you've suggested, do you see that kind of legislation as ultimately being helpful to consumers as well as the manufacturers?

Mr. **Mossinghoff**. Very much so. Trademarks really, I think, serve consumers more than they do the manufacturers. It's the consumer who uses a trademark to guide them through a maze of shopping.

Senator **Leahy**. That's your Ivory Soap?

Mr. **Mossinghoff**. That's right.

Senator **Leahy**. But you don't see this in any way stopping what we've seen more and more of, the use of generic products, stores that just sell generic goods, for example, a bar of soap that just says soap, and rice, or coffee or what not? That in no way will interfere with that kind of operation will it?

Mr. **Mossinghoff**. Not at all. As we read the legislation, it would not interfere at all with the fact that marks can become generic if the trademark owner doesn't exercise the proper precautions to keep it from becoming generic. That would remain the same.

Senator **Leahy**. In fact, that would still occur basically the way we've been used to it occurring before the *Anti-Monopoly* case?

Mr. **Mossinghoff**. That's right.

Senator **Leahy**. You don't see any problem really with the way that determination had basically been made prior to the "Anti-Monopoly"?

Mr. **Mossinghoff**. No, I think it was well understood how that worked. This was an item that we considered in the Cabinet Council on Commerce and Trade Working Group on Intellectual Property, and one of the ideas expressed there was that there may be a broader consideration that someone might give. It's a much more comprehensive consideration. And that is you might want to consider legislating against after-the-fact genericness altogether if the manufacturer or trademark owner gives the public a reasonably descriptive common name to go with the trademark. That would clearly be a sweeping change to the current law, and we're not in a position to recommend that at this point. I don't know if we ever will.

There's disagreement about whether that's a good idea or not. But there is unanimity that something needs to be done quickly about the *Anti-Monopoly* case.

Senator **Leahy**. You anticipated my last question, and I appreciate the answer. Thank you very much. Thank you Mr. Chairman.

Senator **Hatch**. Thank you, Senator.

I want to thank you both for being here. We appreciate the testimony you've given.

Mr. **Mossinghoff**. Thank you.

[The prepared statement of Mr. Mossinghoff follows:]

PREPARED STATEMENT OF GERALD J. MOSSINGHOFF

I appreciate the opportunity to be here this morning and express the support of the Department of Commerce for S. 1990, a bill to clarify the circumstances under which a trademark may be cancelled or abandoned.

In essence, S. 1990 will bar the use of a "motivational test" to determine genericness such as the one which was used by the Ninth Circuit Court of Appeals in Anti-Monopoly v. General Mills Fun Group, 684 F.2d 1316 (9th Cir. 1982).

In Prudential Insurance v. Gibraltar Financial Corp., 694 F.2d 1150, 1156 (9th Cir. 1982) the Ninth Circuit referred to the "Monopoly" motivational survey as one conducted "according to accepted principles." And in The Nestle Co. v. Chester's Market, Inc., 571 F. Supp. 763 (D. Conn. 1983) the court held the term "Toll House" generic citing the Anti-Monopoly decision extensively. In my view, this trend needs to be brought to an abrupt halt before the confusion that the "motivational test" has caused creates trademark chaos.

I understand that the bill is not designed to expand existing law or establish new standards, definitions or boundaries with respect to a mark which has lost its significance as a trademark and become the common descriptive name of the goods or service. In my view, the bill clarifies the Lanham Trademark Act by reaffirming and spelling out the basic principles that have underscored the trademark law of genericness for more than sixty years. The basic test is the level of consumer understanding regarding the mark in question, that is, do consumers recognize the trademark as the name of a product that comes from a particular source, even though they may not be able to identify that source.

The Patent and Trademark Office has stated its disagreement with the Ninth Circuit's Anti-Monopoly decision in its brief before the Court of Apeals for the Federal Circuit in In re Polar Music International (Appeal Nos. 83-501 and 83-514, decided August 3, 1983). We also noted in this brief that we agree with Judge Nies' concurring opinion in In re D.C. Comics, Inc., 689 F.2d 1042 (CCPA 1982). In discussing purchaser motivation, Judge Nies said that "Motivation does not change a descriptive term which has acquired distinctiveness or any arbitrary word, name, symbol or device into a generic designation."

The Second Circuit Court of Appeals also disagrees with the Ninth Circuit. In Warner Bros. Inc. v. Gay Toys, Inc., ___F.2d___ (decided December 21, 1983), the court held that a trademark owner need only show that the mark identified goods of a "particular source," not that consumers are motivated to buy the goods because they believe the goods are made or sponsored by a particular source. In discussing consumer motivation, the Second Circuit cites Judge Nies' opinion in the D.C. Comics case.

Let me point out that, although we strongly disagree with the "motivational test", the Patent and Trademark Office takes no position on whether the mark "Monopoly" is generic under the proper test.

Section 2 of the bill amends section 14(c) of the Lanham Trademark Act by adding at the end of the section:

> "except that a registered mark shall not be deemed to be the common descriptive name of goods or services merely because such mark is also used as a proper name of or to identify a unique product or service. The primary significance of the registered mark to the purchasing public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used."

We assume that the legislative history will show that the phrase "primary significance of the registered mark to the purchasing public" refers to a determination of whether a mark is perceived by purchasers as indicating singleness of source. Thus, for example, if a purchaser who encounters the word "Star" on a box of soap would believe that the source of that box of soap is the same as the source of all other boxes of soap bearing the word "Star", "Star" functions as a trademark. It functions as a trademark even if the purchaser does not know or does not care to know the identification of the company that manufactured the soap bearing the word "Star".

Likewise, we assume that the legislative history will show that the "purchaser motivation" test which is prohibited is the type of test used in the Anti-Monopoly decision.

Subsections 3(a) and (b) of the bill amend the definition of "trademark" and "service mark" to make it clear that the goods or services on or with which a trademark or service mark is used include unique products or services and that the source of those goods or services may be anonymous.

While we support this change, we would suggest that the Subcommittee may wish to consider using language in the companion bill in the House of Representatives, H.R. 4460. The House bill uses the phrase "even if that source is unknown" rather than the phrase "albeit anonymous" which is used in S. 1990.

We also have a suggestion to offer with respect to the phrase "common descriptive name of an article or substance" in section 14(c) of the Act. Although this has always been construed to include services, the Subcommittee may wish to add the word "service".

Finally, we agree that the definition of "Abandonment" in section 45 of the Lanham Trademark Act should be amended to preclude the use of a purchaser motivation test. There are, however, various acts of commission or omission which can lead to the abandonment of the mark. For example, failing to provide for quality control in a trademark license can result in the abandonment of a mark. Therefore, we would suggest that the sentence proposed in section 3(c) of the bill be changed to read "Purchaser motivation shall not be a test for determining abandonment under this subparagraph."

In conclusion, the Department of Commerce strongly supports the intent of S. 1990 to clarify the issue of when trademarks should be held generic. In general, we have no concrete suggestions other than the drafting points we have mentioned. However, we would be pleased to work with the Subcommittee in any way in which we can be of assistance.

Senator HATCH. Our next witness represents the U.S. Trademark Association. Mr. Michael Grow, who is chairman of the Federal Legislation Committee of the Association, is a partner in the Washington, D.C., trademark firm of Ward, Lazarus, Grow & Cihlar, and author of numerous authoritative articles on the subject of trademarks.

We are very happy to have you here, Mr. Grow.

STATEMENT OF MICHAEL A. GROW, CHAIRMAN, FEDERAL LEGISLATION COMMITTEE, U.S. TRADEMARK ASSOCIATION, WASHINGTON, D.C.

Mr. GROW. Thank you, Mr. Chairman.

I appreciate the opportunity to be here on behalf of the U.S. Trademark Association [USTA].

Our association is the oldest and largest organization in the world dedicated to the development, promotion and protection of both the public and private interests in trademarks.

Recently, USTA became very concerned by what we perceive to be the development of a serious misunderstanding as to the nature and functions of trademarks.

That misunderstanding is evident in a variety of judicial decisions. The *Anti-Monopoly* decision is one that is cited most frequently, but in reality it is merely symptomatic of a much more deeply rooted and fundamental problem relating to the understanding of trademarks.

Accordingly, we believe that legislation such as S. 1990 is needed to clarify not only the meaning of the term "generic" or "common descriptive," as used in the Lanham Act, but also to clarify for judges, trademark owners and others the nature and purpose of trademarks and the function which trademarks perform.

The Lanham Act only refers to one of the functions that a trademark serves, and that is to identify the goods of one manufacturer or merchant and distinguish them from the goods of others. But it's well established that trademarks perform many other functions.

One: They facilitate the process of distribution by enabling purchasers to find goods or services that they desire.

Two: Trademarks denote a certain level of quality—and in some cases purchasers may not be seeking high quality. Consumers looking for a bargain may be more interested in price than quality. Some brands are associated with, and enable purchasers to find, products of lesser quality which sell at a more economical price.

Three: Trademarks also symbolize the good will and reputation of a particular manufacturers and merchants. For this reason, any development in the law which jeopardizes the protectability of business reputations is of great concern to all trademark owners.

Four: Finally, trademarks serve a valuable role in protecting consumers from deception. To the extent that trademark owners can maintain the exclusive use of a name or symbol, they are able to provide consumers with a consistent level of quality that will meet their expectations.

But when a court or an administrative body holds that a trademark is generic, it means that it's free for all the world to use. If some purchasers still believe that such a term indicates source or performs other trademark functions, they are going to be deceived.

Thus, it is also important that this legislation clarify the nature and function of generic terms. While a trademark serves to identify and distinguish the goods of one manufacturer from those of others, a generic term merely serves to identify a category of goods or the goods themselves without performing a distinguishing function, without denoting a level of quality, without symbolizing anyone's good will, and without protecting consumers from confusion.

It's not unusual for a particular word to be generic in one context and yet capable of functioning as a valid trademark in another. For example, no one could claim trademark rights in the word "apple" as applied to a particular type of fruit. Yet the same word is perfectly capable of serving as a valid trademark when used on a line of computers.

Occasionally, a mark which was initially valid becomes generic through misuse or a change in public perception. It then no longer serves to distinguish one manufacturer's goods from those of others.

When that happens, there is a vital public interest in insuring that no one be allowed to claim exclusive rights in such a term. Therefore, the courts have often performed the role of insuring not only that trademark rights are protected, but also that generic terms are freely available for use by all concerned.

The misunderstanding that is evident in recent decisions has impaired the ability of courts and administrative bodies to perform this vital function. In our view, the misunderstanding has arisen in three primary areas: First, there is a serious misunderstanding as to the source indicating function that trademarks perform. The ninth circuit itself seemed to be somewhat troubled by its own decision on this issue, but indicated that it felt bound by its own prior decision and prior decisions of other courts.

In reviewing those prior decisions, it is evident that there has evolved through the years a legal parlance relating to basic aspects of trademark law. Terms of art have been developed and shorthand expressions have been devised. Some judges have tried to express things in a new or different way. As a result there are terms commonly used in judicial decisions and in other sources which are simply misleading and ambiguous.

A good example of this is the portion of the Supreme Court decision in *Kellogg* v. *National Biscuit* which the ninth circuit relied on in its Anti-Monopoly decision. In that pre-Lanham Act decision, the Supreme Court held that in order for a mark to be shown to be a valid trademark, it must identify the producer and not the product.

But in reality that is not the case. Trademarks usually do not identify producers. They identify goods and distinguish those goods from goods manufactured by others.

There are many other decisions which state flatly that trademarks serve to identify the source of goods and services. Well in a sense they do, but in another sense they do not.

When you hear a trademark like Anacin or Ivory soap, you do not necessarily receive an identification of the source of products bearing the marks. You may receive an assurance that such products come from a source that is reliable and that has a reputation for quality.

These are some examples of the misunderstanding that has arisen through the misuse and rephrasing of terms that were once fairly well understood.

It is our hope that the proposed amendment to the Lanham Act will serve to clarify existing misunderstandings and that it will enable courts and trademark owners as well to avoid confusion and uncertainty in the future.

Another disturbing aspect of the decision rendered by the ninth circuit in the *Monopoly* case is its implication that unique products, products made by a single manufacturer, are somehow entitled to less protection than products manufactured by many companies.

It is disturbing to think that an owner of a mark used on a unique product would be required to meet a stricter standard in defending his mark against infringers than would be the owner of a mark used on other types or products.

Finally, the third area which presents great cause for concern in Anti-Monopoly and other decisions is the focus on the issue of purchaser motivation as evidenced by consumer surveys. Much has been said on this issue already, and I would summarize merely by stating that it has long been established that in evaluating whether or not a mark is generic, a court must look at a wide variety of evidence. Consumer surveys are one type of evidence which can shed valuable light on the subject of genericness. But courts also frequently look at dictionary definitions, uses by competitors in the field, the way the trademark owner himself has used the mark, and other evidence. Thus, we would hope that this legislation would not be viewed as suggesting that only one type of evidence may be considered; rather courts should be free to consider a variety of types of evidence.

Courts should not continue to employ the purchaser motivation test, however, for several reasons. First, the test employed by the ninth circuit fails to focus on the most fundamental issue, that is, whether the mark in question identifies and distinguishes the goods of one manufacturer from those of others.

While it may be possible for purchaser motivation evidence to shed some light on the issue and whether or not a trademark denotes quality, that should not be the sole inquiry in determining the issue of genericness.

Mr. Chairman, I have summarized the written remarks prepared on behalf of USTA. I would request that the written remarks be entered in the record, and would conclude by thanking the Senator and the committee as a whole for its interest in protecting both the rights of trademark owners and consumers.

On behalf of USTA I would also welcome the opportunity to provide any further assistance which our organization might render either in the form of specific proposals or discussions.

Senator HATCH. Mr. Grow, we want to thank you for all the assistance you have provided us. Your complete prepared statement will be made a part of this record.

[The following statement was received for the record:]

PREPARED STATEMENT OF
THE UNITED STATES TRADEMARK ASSOCIATION

Mr. Chairman and members of the Committee, on behalf of the United States Trademark Association (USTA) I would like to express appreciation for the opportunity to express our views on S.1990, the Trademark Clarification Act of 1983. My name is Michael A. Grow, and I am Chairman of USTA's Federal Legislation Committee which has undertaken a review and analysis of the legislation on USTA's behalf.

A. PURPOSES AND MEMBERSHIP OF USTA

The United States Trademark Association (USTA) is a non-profit organization dedicated to the protection, development and promotion of public and private interests in trademarks. Since USTA's founding in 1878 its purposes have remained constant, (1) to protect the interests of the public in the use of trademarks; (2) to promote the interest of trademark owners in the use of their trademarks; and (3) to obtain, collect and disseminate information concerning the use, registration and protection of trademarks in the United States and other countries.

Membership in USTA, which is open to trademark owners and to those who serve trademark owners, stands at approximately 1,500. Its members are corporations, law firms, professionals, associations and individuals; they are drawn from more than seventy (70) countries and include roughly 85% of the Fortune 100 companies.

All of USTA's officers, its board of directors and its committee chairpersons and members serve on a voluntary basis, contributing thousands of hours to the Association each year.

As the oldest and largest organization in the world exclusively dedicated to the furtherance of public and private trademark interests, USTA believes itself to be in a position to provide assistance in connection with the pending legislation.

B. USTA'S INTEREST IN THE PENDING LEGISLATION

Throughout its history, USTA has played an active role in making recommendations and providing assistance in connection with virtually every federal trademark act or amendment, including the current statute, the Trademark Act of 1946, 15 U.S.C. §1051 *et seq.*, commonly known as the Lanham Act.

For more than thirty-five (35) years the Lanham Act has provided a uniform system for the protection of trademark rights which are so essential to the growth and efficient operation of American business. Recently, however, USTA has become concerned by the development of a serious misunderstanding as to the nature and function of trademarks and the rationale for providing trademark protection. This misunderstanding is evident in certain recent judicial decisions[1/] which reflect a serious departure from principles embodied in the Lanham Act and which have created doubts and uncertainty as to the ability of trademark owners to protect their marks.

While no single judicial decision can be identified as the sole cause of the problem facing trademark owners, certain aspects of the opinion of the Ninth Circuit Court of Appeals in Anti-Monopoly, Inc. v. General Mills Fun Group,[2/] have been cited by jurists, commentators and others as representative of the problem. In that case the court held that the trademark MONOPOLY had become a generic name for a type of board game. While disturbing in itself, the decision is symptomatic of a more deeply rooted and fundamental misunderstanding as to the nature and function of trademarks. Unless corrected through legislation, that misunderstanding will pose a threat to the rights of trademark owners and will impair the rights of consumers to obtain desired goods and services and to be protected against the use of confusingly similar marks.

USTA first voiced its concerns on this problem in an amicus brief filed with the United States Supreme Court requesting that certiorari be granted in the Anti-Monopoly decision.[3/] Certiorari was denied thus terminating any possibility of a judicial clarification of the issues. Although USTA as a rule does not advocate legislation to redress problems arising from specific judicial decisions, the misunderstanding reflected in the Anti-Monopoly decision transcends the interests of the parties to that action. To emphasize its concern, USTA adopted the following resolution:

> WHEREAS, The United States Trademark Association believes that there is a public interest in insuring that established trademark rights be protected and that "common descriptive" or generic names be available for use by all interested parties;
>
> WHEREAS, recent judicial decisions have created concern and uncertainty as to the methods to

be employed in determining whether marks have become "common descriptive" or generic names for goods or services;

WHEREAS, The Association has filed an amicus brief with the United States Supreme Court requesting that it grant a petition for writ of certiorari in Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9th Cir. 1982) (Anti-Monopoly IV), which petition was denied at _____ U.S. ____, 103 S.Ct. 1234 (1983);

NOW, THEREFORE, IT IS RESOLVED THAT The United States Trademark Association favors in principle appropriate legislation designed to clarify portions of the Lanham Act relating to "common descriptive" or generic names.

In addition, USTA has encouraged and published several scholarly articles in its bi-monthly journal, The Trademark Reporter, relating to the genericness issue and the problems created by recent judicial decisions.[4/]

USTA is not alone in its views on the current problem. Numerous other bar groups, commentators,[5/] trademark owners and judges[6/] have devoted attention to and expressed concern as to the climate of uncertainty surrounding trademark protection. Thus, the situation is not only ripe for legislative action but such action is imperative.

C. NATURE AND FUNCTION OF TRADEMARKS

Trademarks play a vital and multifaceted role in the efficient operation of our system of free enterprise. Just as personal names allow individuals to identify themselves and to interact, trademarks permit consumers and businesses to identify goods and services and to engage in commercial transactions.

To understand the public policy underlying statutory and common law trademark protection, it is important to understand the various functions which trademarks perform. Among other things, trademarks (a) foster competition by enabling particular business entities to identify their goods or services and to distinguish them from those sold by others; (b) facilitate distribution by indicating that particular products or services emanate from a reliable though often anonymous source; (c) aid consumers in the selection process by denoting a level of quality relating to particular goods or services; (d) symbolize the reputation and good will of the owner, thereby motivating consumers to purchase or avoid certain trademarked products or services; and (e) protect the public from confusion or deception by enabling purchasers to identify and obtain desired goods or services.7/

Because of these important trademark functions, the need for a system of trademark protection has long been recognized. Such protection is necessary not only to preserve the often substantial investment made by trademark owners in advertising and promoting their products, but also to prevent deception or confusion among consumers.

In this country, the right to trademark protection arises at common law when a mark is first used in connection with the sale of goods or services. The first person or business to use a mark in connection with particular goods or services is generally recognized as the trademark owner and is entitled to the exclusive right to use the mark with such goods and services.8/ To enhance this common law right to trademark protection, Congress over a period of more than 100 years has enacted a series of trademark registration statutes. Under the current statute, 15 U.S.C. §1051 et seq., (the Lanham Act), the United States Patent and Trademark Office maintains a registration system permitting trademark owners to register their marks and place others on notice of their claim of ownership. While registration is not a precondition to trademark protection, many trademark owners register their marks so as to avail themselves of the expanded protection and procedural benefits which the Lanham Act provides.

The Lanham Act delineates only some of the functions which trademarks perform.[9/] The absence of express recognition of other functions is perhaps one of the reasons why the courts from time to time have made statements or findings which are inconsistent with basic principles of trademark protection. For this reason, S.1990 (or any other legislation intended to remedy existing uncertainty) should clarify the nature and function of trademarks so as to avoid future misunderstanding.

D. THE NATURE AND FUNCTION OF GENERIC TERMS

While trademarks serve to identify and distinguish the goods and services of particular manufacturers and merchants, common descriptive or generic[10/] terms serve only to identify the goods or services themselves. For example, the trademark CHEVROLET serves to identify and distinguish a particular line of automobiles produced by one manufacturer, General Motors. The generic term "automobile", on the other hand, serves to identify a broad category of products which are made by many manufacturers.

The rules of fair competition, and the public interest in providing accurate information to the consumer, dictate that competing businesses be allowed to use generic terms to identify the products which they sell. Thus, it is not possible to obtain an exclusive right to use a generic term. Nonetheless, while a particular word may be a generic term for one product, it may be a perfectly valid trademark when used on other products. For example, no one would be permitted to obtain exclusive rights in the term "apple" as applied to certain types of fruit; however, APPLE is perfectly capable of functioning as a trademark in identifying and distinguishing a line of computers sold by one particular manufacturer.

Occasionally a term, which was capable of functioning as a trademark when it was first adopted, loses its capacity to distinguish the goods of one manufacturer from those of others and serves only to identify the goods. When this happens, the term is said to have become generic and the owner is no longer entitled to exclude others from using the term to identify their products. Examples of former trademarks which are now recognized as generic terms in this country are "aspirin", "escalator", "kerosene", "shredded wheat", and "yo-yo".

A judicial or administrative finding that a mark is generic results in an absolute forfeiture of rights. When a mark has been in use over a period of years this may result in a substantial monetary loss, particularly where large sums have been invested in advertising and promotion. There is, therefore, a need to insure, through clarifying legislation, that valuable trademarks will not be held generic as a result of misconceptions as to the functions which trademarks perform.

E. MISCONCEPTIONS ON THE ISSUE OF GENERICNESS

Many of the misconceptions on the issue of genericness have arisen in three general areas: (1) the source indicating function which all trademarks perform; (2) the status of trademarks based on unique products and (3) the significance of evidence as to purchaser motivation.

1. THE SOURCE INDICATING FUNCTION OF TRADEMARKS

One of the most disturbing problems presented by the Anti-Monopoly decision is that it was based on a misunderstanding as to the source indicating function of trademarks. It is apparent that the Ninth Circuit confused the source-indicating function of trademarks with the source-identifying function of trade names.

In holding the MONOPOLY trademark to be generic the court relied heavily on the pre-Lanham Act decision of the United States Supreme Court in Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111 (1938), wherein the term "shredded wheat" was found to be generic. In Kellogg the Court held that, in order to establish a trade name in a term, a plaintiff "must show that the primary significance of the term in the minds of the consuming public is not the product but the producer".11/ The Ninth Circuit appears to have concluded from this pronouncement that a trademark also must be associated with or identify the producer of the product to which it is applied and that if it fails to do so it must be generic.

One need look no further than the Lanham Act to see the error of such a ruling. In its definitional section the Act states that trade names or commercial names are terms "used by manufacturers, industrialists, merchants, agriculturalists and others to identify their businesses."[12] Trademarks, on the other hand, generally do not identify the manufacturer of specific products, but rather permit a manufacturer or merchant to "identify his goods and distinguish them from those manufactured or sold by others".[13]

As in other areas of the law, there has evolved through the years a "legal parlance" relating to trademarks. Through frequent repetition, contractions and attempts to say the same thing in a different way, certain aspects of the parlance have become distorted to the point where some phrases in common use may be construed to say something other than what was originally intended.[14]

Ambiguous statements may be found in numerous judicial opinions and other sources to the effect that trademarks "identify source" or "indicate the source of the product", or, in particular cases, "create a confusion of source". However, trademarks do not identify or indicate source in the sense that the purchaser, upon seeing or hearing the mark, thinks of the identity of the producer. Similarly, when consumers see an infringing mark applied to a product similar to that sold under a familiar brand or label, they are not necessarily confused as to the source of the product, but rather are merely led by the infringing mark into the mistaken belief that the products emanate from a single albeit anonymous entity.[15/]

It is only infrequently that members of the public know who the producer of a product is; and it is more infrequent that they care. As a general rule, people purchase goods not the manufacturers. Thus, while the identity of a manufacturer may have an effect on a decision to purchase a particular product, more often than not, purchases are made on the basis of product quality, past experience, favorable referencess by others, or other factors unrelated to the identity of the manufacturer.

With the advent and development of trademark franchising and licensing programs, it is not unusual for products or services sold under the same mark to be made or provided by local independently owned businesses. In such cases, consumers are generally more concerned with the quality of the product or service than the identity of the seller. Fast food purchasers, for example, do not generally buy McDONALD'S hamburgers because they are personally acquainted with the owner of the local franchised outlet which sells them. Rather, they have come to expect a consistent level of quality which has been established and maintained by the owner of the McDONALD'S mark through license agreements with various independent franchisees. This expectation exists with respect to many franchise organizations even though the owner of the mark used by the organization is to the purchaser anonymous.

Some courts have expressly recognized the fact that trademarks may serve to indicate an anonymous source[16/]; but, legislation such as S.1990 is nonetheless needed to dispel the confusion that has arisen on this issue and to insure that valid source-indicating trademarks are not held generic in the future.

2. UNIQUE PRODUCTS

Another disturbing aspect of the Anti-Monopoly decision is its implication that trademarks used on unique products are entitled to lesser protection or should be measured by a different standard than other marks.[17/] Clearly this could not have been the intention of the framers of the Lanham Act. Virtually all products are unique to some extent, either in design, ingredients or in the standards and processes used in manufacture. This does not prevent trademarks used on such products from indicating source, denoting quality or symbolizing good will.

Some new products are so unique and novel that they qualify for patent protection. To promote research and development the patent laws provide that patented products may be manufactured and sold only by or under authority of the patent owner while the patent remains in effect. The manufacturers of patented products, like sellers of non-patented items, depend on trademarks to assist purchasers in identifying, selecting and purchasing desired goods. It would be inconsistent to reward inventiveness,by granting patent protection to certain unique products, while at the same time penalizing the manufacturers of such products by requiring them to meet a more restrictive standard in defending the validity of the trademarks used on such products.

Legislation is needed to remove any doubts as to the status of trademarks used on unique goods. While manufacturers and merchants should always exercise reasonable care to insure that their marks do not become generic, they should not be penalized merely because of the uniqueness of their goods or services.

3. PURCHASER MOTIVATION

It has long been established that, in determining whether a term functions as a valid trademark, the primary significance of the term in the minds of the consuming public must be assessed. The critical issue in trademark litigation is, "What do buyers understand by the word for whose use the parties are contending?"[18/] Since it is physically impossible to interview every member of the public to determine what, if any, understanding he or she may have as to the significance of a term, a wide variety of evidence is generally considered in evaluating this issue. Such evidence may include consumer surveys[19/], testimony by sellers and actual or potential purchasers, the manner in which the term in question has been used by the trademark owner and others, excerpts from books, newspapers, periodicals and dictionaries relating to the term, the degree to which the owner has been diligent and successful in preventing misuse by others, and the extent to which competitors have used or need to use the term in referring to their products. As a general rule no one of these factors has been or should be dispositive of the issue of genericness.

In the *Anti-Monopoly* case, a court for the first time based its determination of genericness on a novel and radically different type of survey evidence which purported to show purchaser motivation, or the reasons why purchasers bought the products sold under the mark in issue.

To the extent purchasers may be motivated to buy a product because they view the trademark associated with it as a symbol of quality or an indicator of source, evidence as to purchaser motivation might be of some relevance to a determination of genericness. However, the survey relied upon by the court in *Anti-Monopoly* was not designed to measure that type of purchaser motivation and it is doubtful that any survey could be devised to fairly measure such a subjective issue. In the *Anti-Monopoly* survey, purchasers were given a very narrow choice as to their motives in purchasing the MONOPOLY board game. Those interviewed were asked which of the following statements best expressed their reasons for purchasing the MONOPOLY game: (a) "I want a MONOPOLY game primarily because I am interested in playing MONOPOLY, I don't much care who makes it"; or (b) "I would like Parker Brothers' MONOPOLY game primiarly because I like Parker Brothers' products."[20/] Because 65% of those surveyed chose the first statement, the court held MONOPOLY to be a generic term.

This approach to evaluating genericness is flawed for several fundamental reasons. First, it fails to focus on the only real issue, i.e., whether the primary significance of the term in the minds of consumers is as a trademark identifying and distinguishing the goods of the manufacturer or whether it serves solely to identify the product. Second, the survey was based on the mistaken premise that, to avoid a finding of genericness, it must be shown that consumers are aware of the identity of the manufacturer of the product in issue, and that they like the product. Third, the survey was based on the equally mistaken assumption that a lack of consumer concern as to the identity of the manufacturer constitutes evidence that the term in question is generic. To the extent that this and other similar surveys are adopted as a means of testing genericness numerous valid trademarks will be jeopardized.[21/]

While the use of motivation surveys of the type relied upon in Anti-Monopoly is clearly improper, USTA is concerned that mere reference to the term "purchaser motivation" in any amendment to the Lanham Act would result in confusion among judges, trademark owners and others concerned with the issue of trademark protection. Accordingly, USTA would urge the committee to consider providing a definition of this term in the present legislation.

It is not feasible to provide a statutory listing of all of the elements that should be taken into consideration by the courts or the Patent and Trademark Office in evaluating the issue of genericness. It is obviously necessary, however, to provide clarification of this issue to insure that trademarks are not improperly held generic and that valid trademark functions are not ignored in reaching determinations as to genericness.

F. CONCLUSION

In conclusion, on behalf of USTA I express appreciation for the interest that has been shown in protecting the consuming public and trademark owners through the introduction of S.1990. It is our hope that any legislation that is ultimately enacted will provide (a) clarification of the distinction between trademarks and generic designations, (b) a definite standard which may be employed in evaluating genericness while at the same time leaving courts the flexibility to determine the issue on a case-by-case basis and (c) recognition of the important role trademarks play in our society.

USTA would welcome the opportunity to discuss the legislation further, to offer specific proposals, and to provide any other assistance which might be of value to the committee.

FOOTNOTES

1/ Although a serious misunderstanding as to the functions and protectability of trademarks is apparent in certain judicial decisions, USTA believes that the federal courts have played an invaluable role in protecting the interests of the public and trademark owners. Accordingly, USTA does not favor the establishment of an appellate court with exclusive jurisdiction over trademark appeals.

2/ Anti-Monopoly, Inc. v. General Mills Fun Group, 684 F.2d 1316 (9th Cir. 1982), cert. denied (No. 82-1075, Feb. 22, 1983). The court had rendered a prior decision in the same case at 611 F.2d 296 (9th Cir. 1979)

3/ Prior to the filing its brief in connection with the Anti-Monopoly decision, USTA had participated as amicus curiae in only four cases involving trademark issues (Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission, 448 F.Supp. 1237 (D.Nev. 1978), aff'd 440 U.S. 941 (1979); In re Borden, Inc., 92 F.T.C. 669, aff'd. Borden, Inc. v. Federal Trade Commission, 674 F.2d 498 (6th Cir. 1982); Redd v. Shell Oil Co., 524 F.2d 1054 (10th Cir. 1975), cert. denied, 425 U.S. 912 (1976); Andrew J. McPartland, Inc. v. Montgomery Ward & Co., 164 F.2d 603 (CCPA 1947).

4/ See e.g., Greenbaum, Ginsburg and Weinberg, A Proposal for Evaluating Genericness, 73 TRADEMARK REP. 101 (1983); Leiser and Schwartz, Techniques for Ascertaining Whether a Term is Generic, 73 TRADEMARK REP. 376 (1983).

5/ See e.g, Zeisel, Surveys That Broke Monopoly, 50 U. CHI. L. REV. 896 (1983); Note, Genericide Cancellation of a Registered Trademark, 51 FORDHAM L. REV. 666 (1983); Moyles, Anti-Monopoly v. General Mills Fun, Inc.: A Simple Approach to Genericness, 11 GOLDEN GATE U. L. REV. 333 (1981).

6/ In a concurring opinion in In re D.C. Comics, Inc., 689 F.2d 1042, 1154 (CCPA 1982), Judge Nies stated that a misunderstanding as to trademark functions ". . .has led some courts into an esoteric and extraneous inquiry focusing on what motivates the purchasing public to buy particular goods. . ."

7/ See, Gilson, Trademark Protection and Practice, §1.03 (1973)

8/ United States v. Steffens, 100 U.S. 82 (1979); La Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc., 495 F.2d 1265 (2nd Cir. 1974).

9/ The term "trademark" is defined at 15 U.S.C. §1127 as: ". . .any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others."

10/ The word "generic" does not appear in the Lanham Act. It is frequently used, however, as the equivalent of the phrase "common descriptive" which appears in 15 U.S.C. §1064. That section provides that a federal registration of a mark may be cancelled at any time if the mark becomes the common descriptive name of an article or substance.

11/ 305 U.S. at 118

12/ 15 U.S.C. §1127

13/ Id.

14/ See, Ex parte Walker Process Equipment, Inc., 102 U.S.P.Q. 443, 444 (Comm'r. 1954), aff'd. 214 F.2d 151, 110 U.S.P.Q. 41 (CCPA 1956)

15/Id. at 102 U.S.P.Q. 445

16/See e.g., Union Carbide Corp. v. Ever Ready, Inc., 531 F.2d 366 (7th Cir. 1976)

17/In holding MONOPOLY to be a generic designation, the court refused to consider a brand-name survey conducted by General Mills which provided evidence that a majority of the purchasing public recognizes MONOPOLY as a brand name. Although the survey was of a type that had been specifically accepted by other courts, e.g., E.I. DuPont de Nemours & Co. v. Yoshida Int'l., Inc., 393 F.Supp. 502 (E.D.N.Y. 1975) the Ninth Circuit found it irrelevant solely because the MONOPOLY product was made by a single company.

18/Bayer Co. v. United Drug, 272 F. 505 (S.D.N.Y. 1921)

19/Consumer surveys purporting to show public understanding as to the primary significance of a term are generally admissible in evidence, provided that the offeror shows that the survey was conducted in accordance with accepted principles of survey research. Handbook of Recommended Procedures for the Trial of Protracted Cases (1960) 25 F.R.D. 351, 429.

20/Supra., note 2 at 684 F.2d 1324.

21/In attempting to show the invalidity of the motivation survey considered by the court in the Anti-Monopoly decision, the plaintiff conducted a counter survey in which similar questions were posed with respect to the well known TIDE laundry detergent trademark. Not surprising, only a small number of respondents said they bought TIDE because they like Procter & Gamble products, while a substantial majority said they bought TIDE because they liked TIDE detergent. Id at 684 F.2d 1326. Thus, under the reasoning employed by the court in Anti-Monopoly, TIDE and numerous other trademarks would be held generic.

Senator HATCH. Mr. Grow, you already have been very helpful to the committee and to me in particular. I'm very grateful for that assistance and for your excellent scholarly statement today.

Let me ask this question: Much of the evidence used by the courts to determine genericness is comprised of surveys assessing public attitudes about a trademark. What kind of surveys do the courts use under the traditional standard of the last 60 years, and how is the Anti-Monopoly standard altering the nature and the reliability of this survey evidence? Would S. 1990 remedy the evidentiary concerns of those who are experts in this field?

Mr. GROW. First of all, as far as surveys that have been used in the past, one of the most common types of surveys that has been used is what is sometimes referred to as a brand name survey, in which consumers are asked straightforwardly to give their reaction to a list of marks and generic names.

Generally they're given more than one, so that no bias creeps into the survey. Those interviewed are told, first of all, what a brand name is, and what common name is, and then they are asked to indicate whether particular marks or common names fall into either of those categories.

This test has been accepted by numerous courts in the past. It was rejected by the court in Anti-Monopoly because the court felt that the questions were phrased improperly.

But that type of survey evidence and many other types of survey evidence have been found to be valuable by judges who obviously cannot go out and interview every member of the public to determine what the primary significance of the term in issue. As long as surveys are designed properly and are conducted in accordance with acceptable principles of survey research, they can be valuable sources of information.

The legislation as presently drafted would provide a means for courts and others to recognize that the traditional standards that have been employed with respect to survey research are acceptable, that the novel and radically different type of survey that was devised by the ninth circuit is not something that would be acceptable.

Senator HATCH. Thank you. As you mentioned, S. 1990 will affect the nature of the surveys used to determine genericness. But is this bill more than just an attempt to define the types of evidence a court may use to test for genericness?

Mr. GROW. I don't think the bill, as I read it, is an attempt to limit the courts or to define every type of evidence which they should consider. I think that each trademark case is factually different in some respect, and as a result courts should be allowed the flexibility to make decisions on a case by case basis, taking into consideration the particular facts in each instance.

But I think this legislation will provide valuable guidelines for the courts and others in evaluating this issue which is so frequently raised whether or not a word or term is in fact generic or whether it functions as a trademark.

Senator HATCH. Thank you. We appreciate your testimony, and the help you've given the committee. You've been very helpful on this particular bill which is very important. It's a small bill, but has wide-ranging implications throughout the business community and carries a great deal of support throughout the country. We want this bill be written in the best possible manner before it is brought to the floor. You have again advanced that goal.

So, we appreciate the help you've given us.

Mr. GROW. Thank you, Mr. Chairman.

Senator HATCH. Thank you for being with us.

At this point I would, without objection, place a recent article into the record. The article, by Hans Zeisel, is in the University of Chicago Law Review and points out the dilemma posed for manufacturers and consumers alike by the *Anti-Monopoly* case.

[The article referred to follows:]

The Surveys That Broke Monopoly

Hans Zeisel[†]

When a trademark becomes the common descriptive name of the type of article with which it has been associated, the owner of the mark loses the exclusive right to its use. The genericness doctrine marks the only place in the law of intellectual property in which success is punished rather than rewarded. Many terms that were once trademarks have long since become assimilated into ordinary speech. Trampoline, yo-yo, brassiere, and escalator were once registered trademarks. The word "thermos" began as the trade name of one particular brand of bottle that kept cold liquids cold and hot liquids hot. At one time, only Bayer used the word "aspirin," only DuPont used "cellophane."

Last year, the Ninth Circuit decided that Parker Brothers no longer had the exclusive right to the word "monopoly" as a trademark for its real estate trading game.[1] Although the court did not

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[†] Professor of Law and Sociology Emeritus, University of Chicago. I am much indebted to my colleague Douglas Baird who not only read early drafts of this article but in lengthy discussion broadened my vision of the many problems involved in this case. Prior to the first trial in the district court, Monopoly produced a survey on the likelihood of confusion. Although that survey is unrelated to this article, I note that lawyers for Parker Brothers consulted me on some technical aspects of that survey.

[1] Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9th Cir. 1982). Anti-Monopoly was invented by a professor of economics, Dr. Anspach. It was marketed unsuccessfully as "Bust the Trust," but found commercial success when it was marketed as "Anti-Monopoly" and packaged in a way that bore remarkable similarities to Monopoly "in terms of box-size, lettering, board configuration, and design." Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 515 F. Supp. 448, 450 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982).

The case arose in the following sequence: when Anti-Monopoly appeared on the market, Parker Brothers protested. Anti-Monopoly responded with a suit demanding a declaratory judgment against continued use of the trademark "Monopoly" by Parker Brothers. Anti-Monopoly claimed that the mark was only "the common descriptive name" of an article, and therefore not entitled to protection. In defense, Parker Brothers insisted that Monopoly was its trademark for a particular game within the product category "real estate board games." Parker Brothers also asserted a counterclaim for infringement. In 1977 the district court ruled in favor of Parker Brothers. Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 195 U.S.P.Q. (BNA) 634 (N.D. Cal. 1977). On appeal, the Ninth Circuit reversed and remanded. Anti-Monopoly, Inc. v. General Mills Fun Group, 611 F.2d 296 (9th Cir. 1979) [hereinafter cited as Anti-Monopoly I]. On remand, the district court again found for Parker Brothers. Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 515 F. Supp. 448 (N.D. Cal. 1981) [hereinafter cited as Anti-Monopoly II]. The Ninth Circuit again reversed. Anti-Mosquarely face the question, it would appear that henceforth anyone can make a game identical to that made by Parker Brothers, call it "Monopoly," and sell it as his own, provided he clearly indicates that he, rather than Parker Brothers, is the producer of the game.

In this paper I will, after a brief description of the trademark law of genericness, review the Ninth Circuit's treatment of the surveys offered by the litigants. In the end I shall argue that even though the plaintiff's surveys were flawed, the real problem lies with the way the court interpreted trademark law, rather than its use or misuse of the statistical evidence.

I. THE GENERICNESS DOCTRINE

A trademark is any word, name, symbol, or device adopted and used by a manufacturer to identify his own goods and to distinguish them from those manufactured or sold by others.[2] Trademarks help consumers to distinguish one producer from another. Someone who wants to buy the same cola beverage he drank yesterday can ask for "Coke" or "Pepsi" and be confident that he will be getting the same thing he bought yesterday. It would be harder for a consumer to identify a particular soft drink if competitors could not adopt marks, such as Coke and Pepsi, to identify their goods. Giving a competitor trademark protection for whatever word he chooses, however, might impoverish the language of commerce. For example, if only one producer could adopt "telephone" as a trademark for its telephones, all other makers of these devices would find it harder to tell consumers what they made, and consumers would have a harder time finding them.

A basic principle of trademark law therefore is that one cannot adopt as a mark a word that merely describes the goods one is selling unless one can show that the descriptive word has become distinctive of one's own goods in commerce.[3] One has to show that the word, which was once descriptive, has acquired "secondary meaning," that its primary significance in the minds of the consuming public is not the product, but the producer.[4] Nabisco ulti-

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nopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9th Cir 1982)[hereinafter cited as Anti-Monopoly III]. The saga has apparently ended with denial of Parker Brothers' writ of certiorari by the Supreme Court. CPG Prods. Corp. v. Anti-Monopoly, Inc., 103 S. Ct. 1234 (1983).

[2] Lanham Act § 45, 15 U.S.C. § 1127 (1976).

[3] *Id.* § 2(f), 15 U.S.C. § 1052(f) (1976). The statute allows trademark protection of descriptive marks that are "distinctive of the applicant's goods in commerce." *Id.* § 2(e), 15 U.S.C. § 1052(e) (1976) (excluding descriptions from trademark protection).

[4] *Id.* § 2(f), 15 U.S.C. § 1052(f) (1976).

mately could not protect "shredded wheat" and Miller could not protect "lite beer" because these words simply described the products they (and others) were selling;[8] the words did not serve a trademark function, for they did not distinguish Nabisco's or Miller's goods from those sold by others.

A more difficult problem arises when a trademark is not descriptive, but has been used for a long period of time by a single producer, often because the product had been patented. During the first part of this century, for example, Bayer had a patent on acetyl salicylic acid and used the mark "aspirin" to identify it. The question of whether the mark signified the product or the producer to the consuming public was not meaningful, because the public never had reason to make the distinction. There had been only one product made by a single producer. When other producers entered the market and tried to sell acetyl salicylic acid, they could not easily tell the public what they were selling. The public was wholly unfamiliar with the name of the chemical; it knew the product entirely by a registered trademark.[9]

Cases like *Bayer* present an awkward choice: either force new producers to spend time and energy reeducating the public, or take away from the first producer a mark that he has spent time and energy developing. This dilemma has been resolved in favor of the new entrants. Someone who develops a new product must make sure that he creates both a common descriptive name and a trademark for the article. Xerox is a mark for a kind of plain paper copier; Sanka is a mark for a kind of decaffeinated coffee; Vaseline is a mark for a kind of petroleum jelly. If a manufacturer fails to take such precaution and his mark becomes the common descriptive word for the article he sells, he loses the mark.

As stated so far, the doctrine is uncontroversial. Yet it leaves a difficult problem unexposed. Trademarks began as symbols that identified particular producers. Over time, however, marks have been used more to identify particular products and to distinguish them from other products than merely to distinguish them from the products of other producers. Although the consuming public associates the word "Thunderbird" primarily with a particular kind of car, it is well aware that the car is manufactured by a particular manufacturer, Ford. The advertising behind Smirnoff vodka is directed not so much at identifying the producer as at distinguishing this vodka from others, including Popov vodka, which is made by the same manufacturer. Courts have never squarely asked whether a producer forfeits trademark protection if he induces consumers to associate a name with a particular product, rather than with himself. Indeed, few have ever thought that such a forfeiture might arise.

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[8] Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 116-17 (1938) (Shredded Wheat); Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75, 80-81 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978) (Lite Beer).

[9] Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921).

This problem was raised but not satisfactorily solved in the *Anti-Monopoly* case, in which the Ninth Circuit had both to define the category of which Monopoly was a member and to decide whether to give trademark protection to "Monopoly" if the game were the only member of the product category.

In reaching its conclusions, the Ninth Circuit relied heavily on three consumer surveys submitted by the plaintiff, while rejecting two surveys submitted by the defendant. As the court put it: "The principal evidence in the case was in the form of consumer surveys . . . ."[7]

II. THE SURVEYS AND THE NEW TEST OF "PRIMARY MEANING"

In this part I examine the five surveys presented to the court and try to assess their evidentiary value and their importance for the court's decision. This assessment can be made only in the context of the new test of "primary meaning" the Ninth Circuit established in the *Anti-Monopoly* case.

The traditional method of testing the primary meaning of a mark is based on the proposition that people may understand and use it to mean either the brand or the product category. Once a majority or a substantial minority of persons understands the mark to mean the category rather than the brand, the mark is lost. The test, however, is meaningful and hence applicable only if there is a real difference between the product and the product category. If the product and the product category coincide, i.e. if the category consists of one member only, the traditional primary meaning test makes no sense.

To fit that situation, the Ninth Circuit has fashioned a new test it believed had been established in *Kellogg Co. v. National Biscuit Co.*[8] ("*Shredded Wheat*"). The court concentrated on the Supreme Court's statement in *Shredded Wheat* that a mark acquires protection when its "primary significance . . . in the minds of the consuming public is not the product but the producer.'"[9] In the Ninth Circuit's view, each person, instead of belonging to one group or the other, is expected to harbor both meanings, with one of them occupying the "primary" position. There is another difficulty with equating the issue in the *Shredded Wheat* case with that in *Anti-Monopoly;* the Supreme Court used its test in the *Shredded Wheat* case to determine whether the mark had acquired secondary meaning, which is necessary to protect a descriptive mark. In *Anti-Monopoly* the Ninth Circuit applied the test to a mark that did not need secondary meaning to be protected.

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[7] Anti-Monopoly III, 684 F.2d at 1323.

[8] Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938).

A. The "Thermos" Survey

Shortly before the first trial, Anti-Monopoly produced a survey that was consciously modeled on the one the court relied on in finding that the word "thermos" had become generic.[10] There are, however, important, if subtle, differences between the original and its copy. The threshold question in the Thermos case was

> [a]re you familiar with the type of container that is used to keep liquids, like soup, coffee, tea and lemonade, hot or cold for a period of time?[11]

The threshold question in the Anti-Monopoly "Thermos" survey was

> [a]re you familiar with business board games of the kind in which players buy, sell, mortgage and trade city streets, utilities and railroads, build houses, collect rents and win by bankrupting all other players, or not?[12]

In form, the two questions, except for the limping "or not," seem to be alike. But the typical interviewee (especially in a telephone interview) must have perceived the two questions to be very different. Most consumers when asked the Thermos question will have an approximate awareness of the many different shapes, colors, and even materials of containers that keep cold beverages cold and hot beverages hot, because they are usually well displayed in drug stores and supermarkets. Speaking of a "type of" container therefore makes eminent sense. The parallel reference to "board *games* of the kind . . ." in the Anti-Monopoly Thermos survey has no counterpart in reality. The sneaked-in plural, however, buttressed by the addition of "the kind," probably had little effect. The rare interviewee on whom that nuance was not lost most likely perceived it as not more than an awkward introduction to the description of the familiar game. Otherwise, a stickler for precision who took the plural seriously would have had to answer: "No—I am familiar with only one game that fits your description." Under these circumstances, the answers to the question th[illegible] follows,

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[9] *Id.* at 111, *quoted in* Anti-Monopoly I, 611 F.2d at 302.

[10] American Thermos Prods. Co. v. Aladdin Indus., Inc., 207 F. Supp. 9, 14, 20-21 (D. Conn. 1962), *aff'd sub nom.* King-Seeley Thermos Co. v. Aladdin Indus., Inc., 321 F.2d 577 (2d Cir. 1963), *order modified*, 320 F. Supp. 1156 (D. Conn. 1970).

[11] *Id.* at 21 n.8.

[12] Anti-Monopoly III, 684 F.2d at 1323. Approximately 53% of the respondents answered they were familiar with board games of this kind. *Id.*

> [i]f you were going to buy this kind of game, what would you ask for, that is, what would you tell the sales clerk you wanted?[13]

held no surprise. About 80% of the interviewees answered, "Monopoly,"[14] because in their understanding all they had been asked was whether, from the detailed description of the game Monopoly they could identify its name. Why then did the authors of this survey put that false clause "games of the kind" into the question? They obviously intended[15] to establish direct proof of the generic character of the Monopoly name. If the court had followed the strict logic of question and answer, it might have concluded that the consumers had called the *type* of such games by the name Monopoly. But the court responded, as the interviewees undoubtedly did, by concluding "that the results of this survey are compelling evidence of a proposition"[16] that could not have been in much doubt, namely that those who are familiar with the game will call it Monopoly. The survey was of no help in defining the product category.

B. The "Teflon" Survey

Parker Brothers also introduced a survey that measured consumer perception of Monopoly as a brand name. This survey was patterned after the survey that helped DuPont retain its Teflon trademark.[17] It was designed to find out what proportion of the public considered Monopoly to be a brand name. The Monopoly interviewer, like the DuPont interviewer, began by explaining the survey's two key terms.

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[13] *Id.*

[14] *Id.*

[15] Recall, as the court made clear, that Anti-Monopoly drafted the Anti-Monopoly Thermos survey. *Id.*

[16] *Id.* at 1324.

[17] E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc., 393 F. Supp. 502, 528 (E.D.N.Y. 1975).

> By *brand* name, I mean a name like *Chevrolet*, which is made by *one* company; by common name, I mean 'automobile,' which is made by a number of different companies.[18]

In the questions that followed the interviewee was then asked for each of eight different product names, read to him or her in turn, "[w]ould you say [the name] is a brand name or a common name?" Three of the eight names were brand names, three were common names, with Monopoly and Thermos thrown into the list.[19] The brand names were identified as such by more than two-thirds of the interviewees;[20] all generic names were identified as such by close to 90% of the interviewees;[21] 63% of all interviewees identified Monopoly as a brand name; 54% identified Thermos as a generic name.[22]

The survey provides fairly direct evidence to the effect that a substantial majority of the population understands Monopoly to be a brand name.[23] The court, however, gave the Teflon survey short shrift because in its view the survey begged the question: "The results of this survey had no relevance to the question in this case. Under the survey definition 'Monopoly' would have to be a 'brand name' because it is made by only one company."[24] The court's logic is correct, but its psychology is wrong. If the survey had omitted all references to a single or multiple source and the explanatory definition instead had stated that "Chevrolet, for instance is the *brand* name; automobile is the *common* name," I do not believe the survey results would have been any different. The survey showed that in the consumer's mind Monopoly's primary meaning is that of a product.

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[18] Anti-Monopoly III, 684 F.2d at 1323. *See also* E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc., 393 F. Supp. 502, 526 (E.D.N.Y. 1975).

[19] The three common names were refrigerator, margarine, and aspirin. Each interviewee was presented three brand names from a pool of six: Tide, Lavoris, Seville, Coke, STP, and Jello. Market Facts—New York, Inc., A Further Study Concerning the Trademark Monopoly 2 (unpublished report, June 1981) (on file with *The University of Chicago Law Review*).

[20] The respective percentages were Tide 89%, Lavoris 85%, STP 83%, Seville 77%, Coke 74%, and Jello 68%. *Id.* at 10.

[21] The respective percentages were refrigerator 92%, margarine 88%, and aspirin 87%. *Id.*

[22] *Id.*

[23] Arguably, the relevant universe should have been only that part of the population that had heard of the game Monopoly. In that case the brand identification ratio would have been even larger. The "Thermos" survey, *see supra* notes 10-16 and accompanying text, found that 92% of the public knows of the game. Anti-Monopoly III, 684 F.2d at 1324. The restriction would have raised the brand identification ratio from 63% to 68% (.63/.92).

[24] Anti-Monopoly III, 684 F.2d at 1323.

C. Motivation Survey I

Anti-Monopoly designed a telephone survey that purported to track the legal rule the Ninth Circuit had announced the first time it heard the Monopoly case, namely, that "the MONOPOLY trademark is valid only if 'the primary significance of the term in the minds of the consuming public is not the product but the producer.' "[25] The court went even further and suggested how this rule might be translated into operational terms:

> It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading game, because I like Parker Brothers' products. . . ." On the other hand, the consumer may mean: "I want a Monopoly game. . . . I am interested in playing the game of Monopoly. I don't much care who makes it."[26]

The survey-makers, following the court's instructions, framed the question as follows:

> Which of these two statements best expresses your meaning when you ask for 'Monopoly' in a store? . . .
>
> > 'I would like Parker Brothers' Monopoly game primarily because I like Parker Brothers' products.'
>
> OR
>
> > 'I want a Monopoly game primarily because I am interested in playing Monopoly.' I don't much care who makes it.[27]

Assuming for the moment that this is a proper way of formulating the court's doctrine,[28] it is noteworthy how the survey makers developed the question schedule that led up to this key question; again the court informs us that the schedule was provided by Dr. Anspach, Anti-Monopoly's president.[29] His first question—"Are you aware of 'Monopoly,' the business board game produced by Parker Brothers?"—answered by 92% of the interviewees in the affirmative,[30] is followed by "[w]hy would you buy Monopoly? (PROBE FOR COMPLETE RESPONSE)."[31] At first glance these introductory questions seem innocent enough. On closer examination one can see how they might have affected the respondent's answer to the subsequent key question that asks the interviewee for his primary reason for buying Monopoly. First, describing the game initially as a business board game produced by Parker Brothers may have steered people away from listing the name of the manufacturer as a reason for buying the game. Those asked may have felt themselves pushed to provide information beyond that which they had already been told. A person might say that he liked a particular glass of beer because it was Budweiser, but the same person might not respond to the question, "Why do you like Budweiser beer," by saying that he liked Budweiser beer because it was Budweiser beer. This response, unlike the first, sounds tautological.

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[25] Anti-Monopoly I, 611 F.2d at 302 (quoting Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938)).

[26] *Id.* at 305-06.

[27] *See* Corey, Canapary & Galanis, National Telephone Survey and Intercept Survey at App. (telephone survey form) (unpublished report, June 1981) (on file with *The University of Chicago Law Review*). *See also* Anti-Monopoly II, 515 F. Supp. at 453 n.5 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982).

[28] The district court chided Anti-Monopoly for the form of the survey question: "These responses were pulled, verbatim, from an illustration in the text of the appellate court opinion. Plaintiff's expert, not a trained attorney, misconstrued the purpose of the illustration, which was to illustrate a point, *not* to suggest language for a scientific study." Anti-Monopoly II, 515 F. Supp. at 453-54 n.5 (emphasis added; citation omitted), *rev'd*, 684 F.2d 1316

A second defect of the motivation survey was that it prodded the consumers first to list all the reasons why they would buy Monopoly; the interviewer was instructed to "probe for a complete response" (i.e., keep asking "any other reasons?"), a discretion normally avoided in legal surveys. This may have biased them in favor of saying that they would buy the game for reasons other than the single reason that it was made by Parker Brothers. It is not surprising, therefore, that a majority of the answers to the next question, "Why would you buy Monopoly?," referred to the product and the gratifications provided by the game.[32] But in spite of this thorough effort to focus the interviewees' attention on the product, a surprising 32% of them answered that the primary meaning of their asking for "Monopoly" would be that they like Parker Broth-

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(9th Cir. 1982). The court of appeals had a different opinion, describing the survey as "a reasonable effort . . . to find out [what the purchaser meant by "Monopoly"] and was modelled closely on what we said in our opinion." Anti-Monopoly III, 684 F.2d at 1325.

[29] Anti-Monopoly III, 684 F.2d at 1324.

[30] *Id.*

[31] *See* Corey, Canapary & Galanis, *supra* note 27, at App. (survey forms).

[32] Anti-Monopoly III, 684 F.2d at 1324. Eighty-four percent of the portion of the sample aware of the game mentioned an aspect of playing the game as the reason they had or would purchase it.

ers' products.[33] The district court justly remarked that this was an "impressive display of the amount of goodwill which Parker Brothers has imbued throughout its various games."[34] Be that as it may, the fact that 65% of the interviewees responded to the key question that for them, "Monopoly" meant primarily the game and not its producer,[35] gave the court the handle for canceling the mark.

D. Motivation Survey II

The second motivation survey, also prepared by the plaintiff, was of little import. Its only apparent purpose was to allay the plaintiff's concern that the key question in Motivation Survey I, which had followed the court's instructions very literally, might be considered biased towards eliciting the answer that favored the plaintiff. The change between the two surveys was slight:

Motivation I	Motivation II
Which of these two statements best expresses your meaning when you ask for 'Monopoly' in a store?	Which of these two statements best expresses the primary reason why you would buy (did buy) 'Monopoly?'
—I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products.	—Primarily because of the way Parker Brothers manufacturers [sic], advertises or prices games.
or	or
—I want a 'Monopoly' game because I am interested in playing 'Monopoly.' I don't much care who makes it.	—Primarily because I like playing the 'Monopoly' game.[36]

In the first Motivation survey, 65% had chosen the game-alternative; in the second, 84% chose it.[37] But since Motivation Survey II was based on an "intercept" sample (the high sounding name for grabbing the first person that comes along—no sample at all), the court merely noted: "The results were very close to those of [Motivation I], but the expert did not claim that the intercept study was validly projectable."[38]

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[33] *Id.*

[34] Anti-Monopoly II, 515 F. Supp. at 455, *rev'd*, 684 F.2d 1316 (9th Cir. 1982).

[35] Anti-Monopoly III, 684 F.2d at 1324. The court of appeals disagreed with the district court's finding of methodological flaws in the survey, finding that the judgment used in constructing the survey was reasonable. *Id.* at 1325.

[36] *See* Corey, Canapary & Galanis, *supra* note 27, at App. (telephone and intercept survey forms) (interviewer's instructions omitted).

[37] *Id.* at 4, 8.

E. The "Tide" Survey

Defendant Parker Brothers attempted to undercut the plaintiff's surveys by duplicating the plaintiff's first motivation survey, but substituting for Monopoly the brand "Tide"—one of the strongest and best known trademarks.[39] The results obtained in this survey suggest that under the court's legal rule the Tide mark would be lost, a reductio ad absurdum of the rule. Here are the results of the two surveys:

Would you buy Tide (Monopoly) primarily because you like—

	TIDE survey[40] %	MONOPOLY survey[41] %
the product itself	68	65
this manufacturer's products	12	32
other reasons and don't know	13	3

The Ninth Circuit did not cope well with this challenge. It stated:

> We suspect that these results tend to show that the general public regards "Tide" as the name of a particular detergent, having particular qualities, rather than as one producer's brand name for the same detergent which is available from a variety of sources. We do not know whether the general public thinks this, or if it does, is correct in thinking this, or whether Procter and Gamble intend them to think it. If the general public does think this, and if the test formulated in *Anti-Mo-*

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[38] Anti-Monopoly III, 684 F.2d at 1324-25.

[39] The district court commented that "it seems beyond argument that TIDE is a valid trademark." Anti-Monopoly II, 515 F. Supp. 448, 454 n.5 (N.D. Cal. 1981), *rev'd*, 684 F.2d 1316 (9th Cir. 1982). The Ninth Circuit may not have been convinced. *See infra* note 42 and accompanying text.

[40] Quatra Marketing Research, Inc., Tide Purchase Study 3 (unpublished report, June 20, 1980) (on file with *The University of Chicago Law Review*).

[41] These are the results of Anti-Monopoly's Motivation Survey I, on which the court relied. Corey, Canapary & Galanis, *supra* note 27, at 4. *See also supra* notes 32-35 and accompanying text.

> *nopoly I* could be mechanically extended to the very different subject of detergents, then Procter and Gamble might have cause for alarm.[42]

Tide, identified as a brand name by 89% of the general public,[43] backed up by a safely entrenched generic name (laundry detergent), "might have cause for alarm"? Somebody must be kidding. There is only one possible reason for alarm, namely, the possibility that the primary meaning test prescribed in *Anti-Monopoly* would generally supersede the traditional primary meaning test. It is to this question that we now turn.

III. THE NINTH CIRCUIT'S TEST OF PRIMARY MEANING

In developing its legal rule, the Ninth Circuit relied on language from the *Shredded Wheat* case, but that case does not stand for the proposition that all trademarks must identify in the public's mind the producer rather than the product. When a word, such as "monopoly," is not descriptive of the product in question, it is not necessary to establish "secondary meaning"; a word that is merely suggestive of the goods is routinely given trademark protection.[44] To be a trademark the word must only distinguish the goods from those of others, but there is no explicit requirement in the Lanham Act that a mark must both distinguish one's goods from those made by others *and* identify the goods as coming from an identifiable producer. Adding the latter requirement as a condition of trademark protection would defeat many marks now in existence. The court misapplied for its own use the crucial passage in *Shredded Wheat* that to retain the trademark protection it is necessary to show "that the primary significance of the term in the minds of the consuming public is not the product but the producer."[45] This passage describes the test for secondary meaning; the language does not justify the Ninth Circuit test.

We have seen that the difference between the traditional test of generic marks and the new Ninth Circuit test is more than a shift in emphasis; it poses a radically different question, and the difference goes deep. The traditional test has a clear meaning and, in principle at least, can be verified through corresponding observable behavior. Thus, someone who uses "Thermos" to mean the brand will be irritated when the sales clerk brings a different brand of insulated bottle. Someone to whom Thermos means the genus will console and correct the sales clerk who answers "Sorry, we are out of the 'Thermos' brand but we have other brands of such bottles."

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[42] Anti-Monopoly III, 684 F.2d at 1326.

[43] *See supra* note 20 and accompanying text.

[44] *See* Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75, 79 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978).

[45] Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938). *See also supra* notes 9, 25 and accompanying text.

The verbal statement of the Ninth Circuit's test cannot be translated into a commensurate, observable behavior. Until "primary meaning" is defined with more precision in terms of the behavior it represents, it has no meaning, or at best only a very vague one.[48] What might be a meaningful translation of the statement "[b]y Monopoly I mean primarily the game, not Parker Brothers"? Here are some possibilities:

> I am informed that Parker Brothers ceased to manufacture Monopoly; another company does that now. In this situation, do I buy Monopoly from the other company, or another board game from Parker Brothers?
>
> I am informed that in addition to Parker Brothers two other firms now make Monopoly. If I have to choose, will I choose the Parker Brothers' product? What will I choose if in this situation a price differential obtains?

There may be many translations of the Ninth Circuit's "primary meaning" statement. The question is whether a test of such vagueness should determine what is probably the weightiest issue in trademark law. The traditional primacy test, measuring the proportion of customers who understand the name to mean the genus and not a species, a product category and not a brand, is clear and simple and can be translated into meaningful behavior, which in turn is directly related to the law's intent. It can be applied to all situations in which the genus consists of more than one member. The Ninth Circuit's primacy test, counting the proportion of persons who say they understand the name as primarily designating the product rather than the producer, is vague, and it is not at all certain that it can be translated with precision into any relevant behavior. Its juxtaposition to the old test, when there is more than one product in the genus, as was done by Parker Brothers' "Teflon" survey, reveals the inferiority of the Ninth Circuit's test.

It would seem that before anyone can demand that a trade name be cancelled because it had become generic, a genus must have come into existence, that is, a real genus of at least two members. The legal construct of a genus of one cannot suffice, because for such a genus there is as yet no meaningful operational way of making the fateful distinction.

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[48] This should not surprise. "There are so many answers to the simple 'Why?' that we have no way of knowing how all these reasons fit together, if indeed we could elicit them all in the first place." H. ZEISEL, SAY IT WITH FIGURES 153 (5th ed. 1968).

CONCLUSION

The role the surveys played in *Anti-Monopoly* was important only in a superficial way. They did not have much effect on an outcome that was preordained by the incorrect legal rule the court had established. The surveys could have played an important role had the court seen their significance. By rejecting the "Teflon" survey on an unimportant technicality, and not seeing the relevance of the anomaly pointed out by the "Tide" survey, the court missed the opportunity to reassess its earlier ruling. The surveys should have led the court to ask whether Monopoly was fundamentally different from Tide or whether the court's initial holding was in fact more sweeping than was intended. Surveys typically implement a legal rule; the ones in the *Anti-Monopoly* case should have forced a reexamination of the rule.

Senator HATCH. Mr. Zeisel notes that the evidence used to impeach the Monopoly trademark would also endanger Tide, one of the strongest and best known trademarks. Zeisel's analysis also shows the threat this motivation test poses to numerous established marks relied upon by consumer and producer alike as a representation of quality products.

Our next witness will be Mr. Julius R. Lunsford, widely recognized as one of the Nation's premier trademark practitioners. For nearly 30 years, Mr. Lunsford served as the trademark counsel for the Coca-Cola Co., which is noted for its highly successful defense of its own trademark rights.

Mr. Lunsford is an appropriate representative of the many trademark holders interested in this legislation. So we're happy to welcome you to the committee and we look forward to taking your testimony.

STATEMENT OF JULIUS R. LUNSFORD, JR., OF THE FIRM OF HURT, RICHARDSON, GARNER, TODD & CADENHEAD, ATLANTA, GA.

Mr. LUNSFORD. Senator, I would like to express my gratitude for being invited to appear here. I feel honored to appear because of not only the legislation that's being offered. I agree with your statement that it is most important. I also agree with the statement you made when you introduced the bill, and your comments that you've addressed this morning.

Senator HATCH. Thank you so much.

Mr. LUNSFORD. I have filed a statement which I assume will appear in the record.

Senator HATCH. Without objection, we'll place your complete statement in the record, and we do appreciate summaries.

Mr. LUNSFORD. So, I will try to summarize by making five brief points. The first point I would make is that the purpose of a trademark or trademark law is threefold. And this was commented on in 1910, over 70 years ago.

First, a trademark protects the honest trader in the business which fairly belongs to him. Second, it punishes the dishonest trader who is taking his competitor's business away from him by unfair means. And third, it protects the public from deception.

Subsequently in 1946, when the Senate adopted the Lanham Act, it reiterated those three objectives and stated that the Lanham Act, which in effect was a codification of the law in existence or the case made decisional law in existence in 1946, and to bring the law up to date, accomplished the purposes that I have recited where the courts in 1910 gave those three objectives.

Second, the Hatch bill amends the Lanham Act in two respects, as the Senator knows. First, that a registered mark for a unique product or service does not become the descriptive name of such product. In other words, as Mr. Grow said, the purpose of a trademark is to identify and distinguish, and to enable the public to get the product that it wants or thinks it wants and has found the product to be acceptable and calls for it by a brand name. Third, the purchaser motivation test, in my opinion, is irrelevant and the improper test to determine genericness.

Additionally, the ninth circuit's decision and opinion in the *Anti-Monopoly* case is a threat to all trademark owners. And thus, as the Senator remarked about the Tide trademark, it's a very serious threat not only to Procter & Gamble, the owner of the Tide trademark, but to all trademark owners. And unless something is done, then all trademarks are in jeopardy.

I would like to point out that the *Anti-Monopoly* case has received recognition by at least two cases in relying upon that precedent, a bad precedent, to hold Toll House an invalid trademark, and also Air Shuttle.

And also the ninth circuit has adhered to the *Anti-Monopoly* case in the *Prudential* case which was cited by the Commissioner of Patents and Trademarks.

Fortunately, the Second Circuit Court of Appeals, in the *Warner* case, has repudiated the *Anti-Monopoly* case. And the Court of Appeals for the Federal Circuit in the *D.C. Comics* case has also repudiated it.

So we have, Senator, a conflict within the ninth circuit between the ninth circuit and the Court of Appeals for the Federal Circuit and the second circuit, which should have been sufficient to have the Supreme Court of the United States grant certiorari. It is alarming in my opinion that the Supreme Court of the United States did not grant the petition for certiorari, and it is interesting to note that numerous briefs amicus curiae were filed with the petition to permit them to be considered, and the petition for certiorari was denied on the precise day that the motions for leave to file the amendment of the briefs amicus curiae were granted.

So obviously the Supreme Court did not consider the briefs amicus curiae. So we are faced now, trademark owners, practitioners, and the consuming public, with this precedent, and with the fact that the Supreme Court of the United States appears, in my opinion, to be indifferent to trademarks which are badges of identification, which afford the consuming public the right of selection and the right of choice. And, therefore, the courts of appeals for the various circuits, whether it be the second, third, Federal circuit, or the ninth circuit, are in reality the court of last resort and that becomes the law of the land.

And for those reasons, and particularly for the two important and primary significance of the unique product, that the trademark owner for unique products should not be penalized, the public should not be penalized, and the purchaser motivation test is irrelevant, and the improper test.

I fervently hope that this legislation is enacted into law.

Senator HATCH. Thank you so much. You've answered a number of the questions I was going to ask you, but let me pose a couple more.

You mentioned that this bill would have profound consequences for trademark holders. That leads to the next natural question: How would this legislation affect consumers if it were passed?

Mr. LUNSFORD. In my opinion it would be very advantageous to consumers because the purpose of any trademark legislation is to assure the consuming public, as I stated in part, the right to receive the product which it orders by a brand name.

I might add this, sir, that there are some trademarks that are so well known, and I would have put Monopoly in that class, such as automobile trademarks, the Chevrolet, Buick, Ford, Plymouth, that people who use those, the consuming public that uses those trademarks, never or very infrequently refer to the product name that's identified by the brand name or trademark; you don't say Chevrolet automobile. Everybody knows when you say I have a Chevrolet that that is a trademark for the automobile that you drive.

Similarly, getting back to Tide, I think that people are cognizant that Tide, Ajax, and other detergent trademarks are brand names for the particular detergent by a particular manufacturer.

So, the public has to have some handy way of ordering goods; even in the modern day of supermarkets they have to select by the brand names that stare them in the face when they go to shop in a supermarket.

Senator HATCH. What must a trademark holder do now to prevent his mark from becoming generic, and how will that change if the *Anti-Monopoly* case becomes the general rule of law in this country?

Mr. LUNSFORD. Well, I think if the *Anti-Monopoly* case becomes the general rule of law, Senator, that the trademark owners are going to act at their peril, where heretofore the infringer, after he's been put on notice, acts at his peril. I think that it would switch and that the trademark——

Senator **Hatch**. Do you think there would be a lot more dishonesty, more deceit, more problems for consumers, and more problems in general for business?

Mr. **Lunsford**. Precisely. I think it would be an open invitation to would be infringers to adopt a trademark and then destroy it. And then use for his defense, or excuse, the *Anti-Monopoly* decision and opinion.

Senator **Hatch**. Well, in that regard, I will place into the record a letter from the Consumers Union to Senator Kennedy supporting this legislation.

[The letter referred to follows:]

Consumers Union,
November 9, 1983.

Hon. Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Senator Kennedy: Consumers Union would like to express its support for legislation to clarify the existing rule of trademark law that the test of trademark genericism is the primary significance of the trademark to the public, not purchaser motivation.

A decision last year of the U.S. Court of Appeals for the Ninth Circuit, *Anti-Monopoly, Inc.* v. *General Mills Fun Group, Inc.*, departs from that important principle. Abandonment of the principle could harm consumers, both by creating the opportunity for confusion about products with imitative trademarks and by reducing trademark protection to the point where there are inadequate incentives to create unique products.

While we express no views as to the appropriate outcome of the *Anti-Monopoly, Inc.* case under the appropriate legal test, we believe it is important for the Congress to reaffirm the traditional test as the existing law.

Sincerely,

Mark Silbergeld,
Director, Washington Office.

Senator **Hatch**. I want to thank you for coming and appearing before the committee and taking the time. And of course your statement is an excellent one, and we appreciate having it.

Mr. **Lunsford**. Thank you, Senator.

[The prepared statement of Mr. Lunsford follows:]

PREPARED STATEMENT OF JULIUS R. LUNSFORD, JR.

SUMMARY

Amendment of the Lanham Act by the Hatch Bill is absolutely necessary to make it unmistakably clear that a registered mark which identifies a unique product or service does not become the common descriptive name of such product or service merely because of the uniqueness of the product or service, and that the "purchaser motivation test" is an irrelevant and improper test to determine the validity of trademarks and service marks.

STATEMENT

I appear in support of Senate Bill 1990, commonly referred to as the Hatch Bill. Federal courts have long recognized that trademark law has a three-fold objective: First, it protects the honest trader in the business which fairly belongs to him; second, it punishes the dishonest trader who is taking his competitor's business away from him by unfair means; and third, it protects the public from deception.[1] In passing the Lanham Act,[2] Congress recognized these objectives:

> The purpose underlying any trademark statute is two-fold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark has spent energy, time and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trademark owner. . . .
>
> Your Committee believes the proposed bill accomplishes these two broad basic principles.[3]

The Hatch Bill amends the Lanham Act to ensure further that the Lanham Act continues to accomplish these two broad basic principles. As the Committee is aware, Section 14 of the Lanham Act[4] provides that a registered trademark or service mark may be cancelled at any time the registered mark becomes the common descriptive name of an article or service. The purpose of the Hatch Bill is to clarify in two particulars when and how the courts can determine that a mark becomes a common descriptive name.

First, the bill provides that a registered mark which identifies a _unique_ product or service does not become the common descriptive name of such product or service merely because of the _uniqueness_ of the product or service. For example, the mere fact that the trademark POLAROID identifies the previously unique instant developing camera or that the trademark XEROX identifies the previously unique photocopier does not form the basis for the conclusion that POLAROID is the common descriptive name of instant developing cameras or that XEROX is the common descriptive name for photocopiers. The rationale for this portion of the amendment is clear; a contrary principle of law would discourage the development of unique products if the trademark by which such unique products are identified could, on the basis of the uniqueness of the product, be appropriated by anyone.

Second, the bill provides that the "purchaser motivation test" cannot be applied to determine whether a registered mark has become the common descriptive name of an article or service. In the _Monopoly_ case,[5] the court applied what has become known as the "purchaser motivation test: to determine whether the registered trademark MONOPOLY had become the common descriptive name of an article. The "purchaser motivation test" is a threat to all trademark owners in that it can be used to demonstrate that virtually any trademark or service mark identifying a single product or service has become the common descriptive name of an article or service which it identifies. For example, I know of no attorney who practices in the trademark specialty who believes or would advocate that the trademark TIDE is the common descriptive name of the article it identifies. Nevertheless, an application of the "purchaser motivation test" by the Ninth Circuit Court of Appeals appears to be concrete support for the contrary conclusion. In the Monopoly case, survey results were introduced which in the words of the Ninth Circuit:

> showed that . . . when asked "Would you buy TIDE primarily because you like Procter & Gamble's product, or primarily because you like TIDE detergent?" about 68% indicated the latter reason.[6]

In focusing on the survey results, the Ninth Circuit opined:

> We suspect that these results tend to show that the general public regards "TIDE" as the name of a particular detergent, having particular qualities, rather than as one producer's brand name [trademark] for the same detergent which is available from a variety of sources. . . . If the general public does think this, and if the test formulated in Anti-Monopoly I could be mechanically extended to the very different subject of detergents, then Procter & Gamble might have cause for alarm.[7]

The purchaser motivation test has been both roundly and soundly criticized as an irrelevant and improper test. It has been assailed by the United States Trademark Association, which was established in 1878 and which currently has a membership of over 500 trademark owners and an associate membership of over 1000 trademark attorneys and advisors.[8] It has been characterized as an uncommonly and unjustifiably stringent test in situations in which only one producer has ever made or marketed a particular product.[9] It has been classified as "an esoteric and extraneous inquiry" by Judge Nies of the Court of Appeals for the Federal Circuit.[10] It has been rejected as "essentially irrelevant by the Second Circuit Court of Appeals as a test to determine the validity of a trademark.[11] In fact, the Ninth Circuit Court of Appeals, the court advocating the "purchaser motivation test" in the Monopoly case, in a later opinion never considered or required "purchaser motivation" to be considered to determine whether the trademark COKE is the common descriptive name of the product it identifies.[12] In fact, rather than relying on its prior decision in Anti-Monopoly, the Ninth Circuit relied on precedent by the Court of Appeals for the Seventh Circuit.[13] The criticism of the "purchaser motivation test" is best expressed by the following language of Judge Nies:

> The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular design is generic.
>
> . . . This rationale [motivation test] ignores the reality that the primary objective of purchasers is to obtain particular goods, not to seek out particular sources or producers, as such. Motivation does not change a descriptive term which has acquired distinctiveness or any arbitrary word, name, symbol, or device into a generic designation. The correct inquiry is whether the public no longer associates what was a trademark with that particular source.[14]

In addition to being enacted to protect the public and protect the trademark owner, the Lanham Act was also enacted to eliminate "confusing and conflicting interpretations of [the] various [trademark] statutes by the courts.[15] The Hatch Bill is absolutely necessary to maintain judicial uniformity. As I have previously testified, the "purchaser motivation test" has been criticized by the Court of Appeals for the Federal Circuit and by the Second Circuit Court of Appeals, and the Ninth Circuit has even declined to apply it in cases decided after the Monopoly case. However, the United States Federal District Courts for the District of Connecticut and Southern District of New York have relied on the Monopoly decision in invalidating the trademarks TOLL HOUSE[16] and AIR-SHUTTLE.[17] Moreover, the United States Supreme Court refused to review the Monopoly case despite being urged to do so by the Chamber of Commerce of the United States, the Committee on Trademarks of the Association of the Bar of the City of New York, Toy Manufacturers of America, National Association of Manufacturers and Grocery Manufacturers of America in addition to The United States Trademark Association. Because the Supreme Court has refused to give appropriate direction and because of the potential for further judicial conflict, the Lanham Act should be amended to make it unmistakably clear that a registered mark which identifies a unique product or service does not become the common descriptive name of such product or service merely because of the uniqueness of the product or service, and that the "purchaser motivation test" is an irrelevant and improper test to determine the validity of trademarks and service marks.

FOOTNOTES

1. Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910).

2. 15 U.S.C. §1051 et seq.

3. Report of Senate Committee on Patents, 1946 U.S. Code Cong. Serv., p.1274.

4. 15 U.S.C. §1064.

5. Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9th Cir. 1982), rev'g 515 F. Supp. 448 (N.D. Cal. 1981), on remand from 611 F.2d 296 (9th Cir. 1979), rev'g 195 U.S.P.Q. 634 (N.D. Cal. 1977). In its decision, the Ninth Circuit completely ignored a 1981 decision by the former Court of Customs and Patent Appeals which held MONOPOLY to be a valid, registered and, indeed, famous trademark. Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc., 209 U.S.P.Q. 986 (C.C.P.A. 1981).

6. Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 at 1326 (9th Cir. 1982).

7. Id.

8. Brief Amicus Curiae, The United States Trademark Association, CPG Products Corp. v. Anti-Monopoly, Inc., No. 82-1075 U.S. Supreme Court (1982).

9. Comments of Kenneth B. Germain, Professor of Law, University of Kentucky.

10. In re DC Comics, Inc., 689 F.2d 1042 (C.C.P.A. 1982).

11. Warner Bros. Inc. v. Gay Toys, Inc., F.2d Dkt. No. 83-7365 (2d Cir. December 21, 1983).

12. The Coca-Cola Co. v. Overland, Inc., 692 F.2d 1250 (9th Cir. 1982).

13. Helene Curtis, Ind. v. Church & Dwight Co., 560 F.2d 1325 (7th Cir. 1977), cert. denied, 434 U.S. 1070 (1978).

14. In re DC Comics, Inc., 689 F.2d 1042 (C.C.P.A. 1982).

15. Report of Senate Committee on Patents, 1946 U.S. Code Cong. Serv., p.1274.

16. The Nestle Company, Inc. v. Chester's Market, Inc., 219 U.S.P.Q. 298 (D. Conn. 1983).

17. Eastern Air Lines, Inc. v. New York Air Lines, Inc., 218 U.S.P.Q. 71 (S.D.N.Y. 1983).

Senator HATCH. Thank you so much.

At this point, we will submit for the record an article in the Trademark Reporter which explains that the courts have misconstrued the doctrines of genericness which is causing the consumer "confusion created by those who would encroach on an identity which the public associates with another."

This article, authored by Arthur Greenbaum, Jane Ginsburg, and Steven Weinberg, deserves recognition. I direct that it be included in the hearing record at this particular point.

[The article referred to above follows:]

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A PROPOSAL FOR EVALUATING GENERICISM AFTER "ANTI-MONOPOLY" *

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Introduction

The trademark doctrine of genericism is easily stated: a "common descriptive name" or "generic" term[1] is one that the public primarily understands as identifying a particular product, rather than the source of that product.[2] Once a term has become part of the vernacular and is commonly understood by the purchasing public to identify "goods" per se, rather than goods from a particular source, courts impose the legal conclusion that the term should be freely available for use by competitors and by the public as a designation of the goods which the term commonly identifies. Were the term not freely available, competitors would not be able to call their goods by the term commonly understood by the public to identify those goods.[3] This legal conclusion comports with basic objectives of trademark law: affording competitors free use of a term ruled generic promotes vigorous and effective compe-

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[1] 15 USC §§1064(c) and 1065(4) provide for initiation of proceedings to cancel the registration of a mark which is or has become the "common descriptive name of an article or substance." Courts have used the rubric "generic" synonymously with "common descriptive name." See, eg, Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 611 F2d 296, 301, 204 USPQ 978 (CA 9 1979) (Anti-Monopoly II); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F2d 4, 9, 189 USPQ 759 (CA 2 1976), modfd in part on rehearing 189 USPQ 769 (CA 2 1976).

[2] See, eg, Kellogg Co. v. National Biscuit Co., 305 US 111, 118, 39 USPQ 296 (1938).

[3] See, eg, Miller Brewing Co. v. G. Heileman Brewing Co., 561 F2d 75, 80, 195 USPQ 281 (CA 7 1977), cert denied 434 US 1025, 196 USPQ 572 (1978); CES Publishing Corp. v. St. Regis Publications, Inc., 531 F2d 11, 13, 188 USPQ 612 (CA 2 1975).

tition in the product offered, without engendering public confusion as to the source of the product.[4]

Judicial application of the doctrine often has been less felicitous than its formulation. Many courts fail to recognize the way in which trademarks actually function in the market place: most trademarks do not identify source only, as opposed to goods.[5] Rather, they serve a dual function; that is, a trademark can simultaneously identify both the goods and their source.[6] "Source identification" means that a term or symbol is understood by the public to be a trademark, i.e., it identifies the goods of a single (albeit often anonymous) source.[7] Thus, evidence that the public believes the term at issue identifies a "product" does not, without more, resolve whether a term is "generic," because it may, at the same time, also identify the source of the goods. The relevant question is whether the public primarily understands that the term at issue is a trademark which identifies the goods as coming from a single source.

Judicial attempts to determine public understanding frequently are inconsistent and focus on factors irrelevant to the commonly understood meaning of the disputed term. The most egregious recent example of judicial misapprehension and misapplication of the genericism doctrine is the Ninth Circuit Court of Appeals' decision in Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.[8] The Supreme Court's denial of certiorari leaves standing an opinion whose analysis, if perpetuated in the Ninth Circuit or adopted by other courts, would jeopardize protection accorded virtually any term used as a single product trademark.

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[4] See generally 1 J. Thomas McCarthy, Trademarks and Unfair Competition §§2:1-2:14 (1973).

[5] For purposes of this article, we divide trademarks into two broad classes: house or product line marks, which identify the source of a host of distinct products, eg, REVLON, and single product marks, which identify the source of a particular product, eg, TIDE. Single product marks function "dually," because they call to mind both the characteristics of the individual product as well as its producer. Single product marks are the subject of this article.

[6] See generally In re DC Comics, 689 F2d 1042, 1053-54, 215 USPQ 394 (CCPA 1982) (Nies, J. concurring); Jerre B. Swann, The Validity of Dual Functioning Trademarks: Genericism Tested by Consumer Understanding Rather Than By Consumer Use, 69 TMR 357 (1979).

[7] See, eg. Miller Brewing Co. v. Falstaff Brewing Corp., 503 F Supp 896, 903, 208 USPQ 919. 928 (D RI 1980), revd on other grounds 655 F2d 5, 211 USPQ 665 (CA 1 1981) ("Once a word or logo comes to be associated by the consumer with a particular brand of product, then it is in the interest of both the consumer and the brand's producer to forbid other manufacturers from concurrently using that same (or a confusingly similar) symbol to mark their brands").

[8] 684 F2d 1316, 216 USPQ 588 (CA 9 1982), cert denied BNA's PTCJ, Vol 25, No 618, p 351 (US 2/22/83) (2/24/83), petition for rehearing filed March 18, 1983; rehearing denied BNA's PTCJ, Vol 25, No 626, p 507 (US 4/18/83) (4/21/83) (Anti-Monopoly IV).

This article sets forth certain trademark principles underlying the genericism doctrine, reviews and criticizes the Anti-Monopoly decision, and offers what the authors believe to be the correct approach to determine, in a consistent fashion, whether a term is generic, or whether a term which once functioned as a trademark has since become generic.[9]

A. Basic Principles of Trademark Law Underlying the Genericism Problem

Protection of trademark rights promotes two important interests. Because a trademark[10] identifies and distinguishes the goods of one producer,[11] a trademark (1) protects "trade identity, which may be the most valuable asset of a business" and (2) protects "the public from confusion created by those who would encroach on an identity which the public associates with another." [12] Inherent in these statements are the following propositions: (a) trade identity arises when a producer of goods adopts and uses a term to identify and distinguish his goods from those of others, and when the term is primarily understood by the public to identify and distinguish his goods; (b) public confusion as to source will arise only so long as the term is primarily understood by the public as identifying the goods of one producer; and (c) if the public does not primarily understand the term to denote source, the term does not symbolize trade identity—it therefore is not a trademark, and may be used freely by others.

In trademark law, all terms have traditionally been divided into four categories. The first category groups "arbitrary" and "coined" or "fanciful" terms. An "arbitrary" term is a word, or a collection of words whose commonly understood meaning bears little or no relationship to the goods to which they are applied. For example, the word "jellybeans" means a kind of candy. Thus, when applied to a roller skating rink, JELLIBEANS is an "arbitrary" term.[13] A "coined" or "fanciful" term is a made-up word, for example, DACRON or YUBAN.

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[9] Extensive discussion of the many opinions which have considered whether a particular term is generic is beyond the scope of this article. For articles affording such a review, see, eg, Ralph H. Folson and Larry L. Teply, Trademarked Generic Words, 89 Yale LJ 1323, 70 TMR 206 (1980); Swann, supra note 6; James M. Treece and David Stephenson, Another Look at Descriptive and Generic Terms in American Trademark Law, 66 TMR 452 (1976); Norman H. Zivin, Understanding Generic Words, 63 TMR 173 (1973).

[10] The principles discussed, and the proposal made in this article, are directly applicable to service marks as well as trademarks. Design marks are not a subject of this article.

[11] See 15 USC §1127 (defining "trademark"). See generally McCarthy, supra note 4, §3:2.

[12] In re DC Comics, supra note 6 at 1053, 215 USPQ at 404 (Nies, J. concurring).

The second category consists of "suggestive" terms. These are words or word combinations which convey some information about the goods to which they are applied, but which do not impart an immediate description of the goods. Examples of terms held suggestive are PLAYBOY for magazines[14] and HABITAT for home furnishings.[15] Arbitrary, coined, and suggestive terms are entitled to protection and to federal trademark registration without presentation of proof of distinctiveness (secondary meaning), because they are presumed to identify the source of the goods to which they are applied.[16]

The last two categories are labeled "descriptive" and "generic." A descriptive term conveys an immediate description of the nature, or of a major aspect, of the goods, but is not the name by which the goods are commonly known. Such a term, therefore, does not, at the outset, denote source. A descriptive term may function as a trademark if its first user can demonstrate that the public has come to identify the term with the source of the goods.[17] For example, assume selection of the term FAST FRYERS for chickens. The term instantly imparts the information that the product is a frying chicken, and that it fries more quickly than other frying chickens. The term is, therefore, merely descriptive. But if the producer extensively promotes and properly uses the term as a trademark, and no other producer adopts it, the public probably will come to believe over a period of time that FAST FRYERS is the brand name of chickens from a single source. The term therefore will have achieved "secondary meaning" and will be entitled to trademark protection.

By contrast, a generic term not only fails to denote source, but is a term which commonly identifies the type of goods to which the term is applied. In other words, a generic term does not just describe a leading characteristic of the goods, but is generally recognized as a common name of the article. For example, "fryer" is a generally recognized common name for a small chicken intended for frying. The term is a complete identification of the goods, and imparts no suggestion that the goods come from any particular source. Thus, the term is not entitled to trademark protection. Moreover, to permit exclusive use of such a term would foreclose other purveyors of frying chickens from selling their goods under a name by which the goods are commonly known.

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[13] Jellibeans Inc. v. Skating Clubs of Georgia, Inc., 212 USPQ 170 (ND Ga 1981).

[14] Playboy Enterprises, Inc. v. Chuckleberry Publishing, Inc., 687 F2d 563, 566, 215 USPQ 622 (CA 2 1982).

[15] Habitat Design Holdings, Ltd. v. Habitat Inc., 436 F Supp 327, 196 USPQ 425 (SDNY 1977), mdfd (in other respects) mem 573 F2d 1290, 200 USPQ 10 (CA 2 1978).

[16] See eg, West & Co. v. Arica Institute, Inc., 557 F2d 338, 342, 195 USPQ 466 (CA 2 1977); Abercrombie & Fitch, supra note 1 at 11, 189 USPQ 759.

[17] Lanham Act, §2(f), 15 USC §1052(f).

In the case of FAST FRYERS, this term, at least at the time of its selection, substantially described the nature of the goods. Since, however, the public never before had encountered this combination of words for this product, the term FAST FRYERS was not the commonly recognized name for the goods. Thus, unlike "fryer," the term FAST FRYERS was not "born" generic (though of course the "fryer" component of it was, and always would remain, free for all to use). Indeed, most terms intended for trademark use are not "born" generic. As a practical matter, a producer is not likely to select as an intended trademark a term which the public will never perceive to be a brand name. But, just as proper promotion and use of the term FAST FRYERS as a brand name can lead to trademark protection, so improper use of the term can convert it into a generic term. Thus, if the producer of FAST FRYERS promotes the term as, for example, "a new kind of chicken" without emphasizing that this product comes from a single source, the public may come to understand the term as synonymous with quick-frying chickens from any source. At that point, the term "fast fryers" would have entered the common vernacular, and other producers of quick-frying chickens should be fully entitled to call their product by the name commonly understood to refer to this kind of chicken.[18]

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[18] The same holds true for arbitrary or coined terms. Thus, for example, on the day of its adoption, the term "Thermos" was a coined word which functioned as a trademark. But improper promotion and policing of the term led the public to understand that the term "Thermos" was the name of a container which keeps liquids hot or cold. Thus, continued protection for the "Thermos" term would have disabled other purveyors of such containers from selling their competitive products under the common name by which the public recognized the goods. See King-Seeley Thermos Co. v. Aladdin Industries, Inc., 321 F2d 577, 138 USPQ 349 (CA 2 1963). See also DuPont Cellophane Co., Inc. v. Waxed Products Co., Inc., 85 F2d 75, 30 USPQ 332 (CA 2 1936) (producer's misuse of term "cellophane"); Bayer Co. v. United Drug Co., 272 F 505, 11 TMR 178 (SDNY 1921) ("aspirin"); Haughton Elevator Co. v. Seeberger, 85 USPQ 80 (Comr Pats 1950) ("escalator").

The FAST FRYERS hypothetical is based on the facts of In re Minnetonka, Inc., 212 USPQ 772 (TTAB 1981), in which the Trademark Trial and Appeal Board held that the term "softsoap" for liquid soap was already a common descriptive name for the goods, and even were it not the common descriptive name of the product at the time the goods were first marketed, the producer's improper promotion of "softsoap" "as the name of a new kind of product rather than as an indicator of source in the trademark sense" caused the term to fall into the common vernacular, and thus to become generic. 212 USPQ at 778.

The basis of the rationale underlying the genericism doctrine is concern that protecting a term which is or has come to be no more than the commonly understood identifier of the goods will curtail effective competition in those goods. Thus, the genericism doctrine, properly applied, disqualifies from trademark protection those terms which (1) are primarily understood by the purchasing public to be the common names of the goods; and (2) are needed for effective competition in those or in related goods.

It is important to observe at this point that a term is not generic simply because it conveys some impression of the goods, or indeed, conjures up an image of the product. For example, if the term FAST FRYERS had been properly promoted and used as a trademark (e.g., "FAST FRYERS™ brand quick-frying chickens") and thus had come to denote source, it would not have ceased to evoke an impression of the product. But any term used as a trademark for a single product (as opposed to a line of different products), whether the term be descriptive or arbitrary, performs two functions: (1) it tells the public that the goods come from a particular source, and (2) also identifies the goods themselves. Thus, for example, TIDE evokes a detergent of particular strength, quality and utility—which the public associates uniquely with one producer.

Therefore, in determining whether a single product term is or has become generic, one must ascertain not merely whether the term denotes a product, but whether the public understands the term to identify a particular product from any source, or a particular product from a single source. Only in the former instance is the term generic. Thus, the question is whether the term's "primary significance" to the public is merely as an identification of the product itself, regardless of its producer, or as an identification of the source of the product.[19] How primary significance should be gauged is the subject of part C of this article. Finally, we note that the public may, but need not, know the name of the producer or manufacturer of the product, so long as the public believes that the product emanates from a single, albeit perhaps anonymous, source.[20]

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[19] The Supreme Court endorsed the "primary significance" approach, albeit in a somewhat different context, in Kellogg Co. v. National Biscuit Co., supra note 2. Since then, most courts have recited this rubric, with varying results. Compare the District Court decision with the Court of Appeals decision in Miller Brewing Co. v. Falstaff Brewing Corp., supra note 7.

[20] See generally McCarthy, supra, note 4, §3:3B.

B. The Anti-Monopoly Case

Anti-Monopoly Inc., producers of the ANTI-MONOPOLY board game, sought a declaratory judgment of the invalidity of the MONOPOLY trademark. The producers of the MONOPOLY game counterclaimed for trademark infringement. Anti-Monopoly asserted that the MONOPOLY mark was or had become the generic name for the MONOPOLY real estate trading board game, and thus did not function to indicate source. The District Court rejected this assertion. It held that while the term "monopoly" is a common descriptive name in the economic sense, its application to a board game was unique and arbitrary.[21] The District Court further held that MONOPOLY had not become generic for the class of board games involving real estate trading, but rather that the public understood the name to refer to a particular game produced by a single source; therefore MONOPOLY continued to function as a trademark. Based on evidence that the public believed the ANTI-MONOPOLY game was produced or authorized by the makers of MONOPOLY, the court concluded that ANTI-MONOPOLY infringed the MONOPOLY trademark.

On appeal, the Ninth Circuit Court of Appeals held that the District Court grounded its genericism analysis in an improper identification of the class of goods. Since the MONOPOLY game may involve a unique playing strategy, the appellate court stated that consumers may think of MONOPOLY as a unique version of a real estate trading game, and that MONOPOLY therefore would constitute its own "product category."[22] After confining MONOPOLY to its own class, the appellate court remanded to the District Court to determine whether the primary significance of the term to the public was as an indication of source, or merely as an identification of a unique game.

On remand, the District Court reviewed two surveys produced by the parties. Anti-Monopoly advanced a survey which identified MONOPOLY as a Parker Brothers game, and then inquired whether the interviewees would purchase MONOPOLY "primarily because I like Parker Brothers' products" or "primarily because I am interested in playing 'Monopoly.' I don't much care who makes it."[23] According to this "motivation" survey, only one-third of the public would purchase MONOPOLY because it entertained warm feelings toward Parker Brothers. The District Court rejected this survey, deeming it completely inapposite to determining trademark significance. "[M]ost consumers, indeed an overwhelming proportion thereof, purchase any given product not out of good will or affection for the producer, but because they want or favor the product. . . . Moreover, the 'primary significance' of a trademark corresponds more to the recognition of a mark as the brand name of a particular producer than it does to a reason for purchasing."[24]

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[21] Anti-Monopoly Inc. v. General Mills Fun Group, Inc., 195 USPQ 634, 638 (ND Calif 1977) (Anti-Monopoly I).

[22] Anti-Monopoly II, supra note 1 at 305, 204 USPQ 978.

[23] Anti-Monopoly Inc. v. General Mills Fun Group, Inc., 515 F Supp 448, 453 fn 5, 212 USPQ 748, 752 (ND Calif 1981) (Anti-Monopoly III).

Stating that "[t]he dispositive issue hence is not why consumers buy MONOPOLY sets, but rather, what is their understanding of the name MONOPOLY,"[25] the District Court credited a survey which explained the difference between a "common name" and a "brand name," and then asked interviewees to indicate which of a list of names were common names and which were brand names. Sixty-three percent of the persons surveyed identified MONOPOLY as a brand name. The survey further inquired whether the interviewees responding "brand name" could name the producer. Fifty-five percent of those persons correctly identified Parker Brothers. Based on this evidence, the court concluded that consumers were aware that MONOPOLY denotes source, and further, that this awareness extended to the actual identity of the source. Thus, the court held, the name MONOPOLY in the public eye means more than a popular game; it means a game by a particular and known producer, and therefore the term enjoys primary trademark significance.

In the second appeal, the Ninth Circuit Court of Appeals rejected the District Court's treatment of the survey evidence. The court observed that the "brand name" survey defined a brand name as the name of a product made by one company. MONOPOLY, the court stated, is made by only one company, and therefore by definition would have to be a brand name. Thus, this survey could not reveal trademark significance.[26] Instead, the court embraced the Anti-Monopoly "motivation" survey. It believed that this survey's separation of "product related" reasons for a purchase from "source related" reasons gauged the significance the consumer attached to the term's source-denoting characteristics.[27] Since only one-third of the surveyed public would purchase MONOPOLY out of affection for Parker Brothers, and the majority remainder would buy the game because it liked the game, the Ninth Circuit Court of Appeals held the primary significance of the name MONOPOLY to refer to a popular game, rather than to a particular producer of the game. Therefore, MONOPOLY is a generic term. The court remanded to the District Court whether the producers of ANTI-MONOPOLY were taking adequate steps to inform the public that the ANTI-MONOPOLY game did not come from the producers of the MONOPOLY game.

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[24] Id at 454, 212 USPQ at 752-53.

[25] Id at 454, 212 USPQ at 753 (emphasis omitted).

[26] Anti-Monopoly IV, supra note 8 at 1323, 216 USPQ 588.

Despite considerable adverse reaction from the business community, and the submission of seven amicus briefs urging review, the Supreme Court denied certiorari on February 22, 1983.

The Ninth Circuit opinions fester with erroneous analyses. First, the relegation of MONOPOLY to a "unique product" category presents an extreme exercise in "sophistry," and a substantial misconception of the way goods are promoted and marketed. As Judge Nies of the United States Court for the Federal Circuit observed, producers constantly endeavor to distinguish their goods from their competitive counterparts by emphasizing their goods' supposedly superior qualities.[28] Thus, a producer of toothpaste will claim that his product whitens teeth better, a producer of laundry detergent will assert that his product cleans clothes better, etc. Nonetheless, according to the Ninth Circuit Court, any distinctive "product-related" feature of a product, even a product with many competitive counterparts, may result in classification of that product as "unique" and its own "genus." Furthermore, if the product is its own "genus," its trademark is virtually, by definition, generic. Thus, if TIDE laundry detergent cleans clothes better than its counterparts, TIDE may be the generic term for a detergent with its superior characteristics.[29]

The Ninth Circuit Court's product classification exercise derives in part from the long-standing, widely-embraced fallacy that genericism may be determined by dividing the relevant world of goods into genuses and species. If the term at issue applies to a "genus" of goods, it is generic, but if it applies to a "species" within that genus, the term may be a trademark.[30] Thus, for example, the term "car" refers to the genus automobile, but CHEVROLET denominates a species within that genus. Imposition of this Linnean classification system does nothing to advance analysis of the central question: whether the term at issue primarily identifies goods which may originate with any number of sources, or whether the term at issue primarily identifies the goods of a single source. In fact, the genus-species test's application of irrelevant biological rubrics tends to substitute for analysis. As the Ninth Circuit opinion persuasively, albeit unintentionally, demonstrates, such classification attempts are meaningless, and are infinitely manipulable.

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[27] Id at 1325, 216 USPQ 588.

[28] In re DC Comics, supra, supra note 6 at 1053-54, 215 USPQ 394 (Nies, J. concurring).

[29] See discussion infra note 32.

Reference to the rationale of the genericism doctrine supplies the only relevant "product category" appropriate to the genericism inquiry. Since a holding of genericism reflects the legal conclusion that a term ought to be free for competitors' use in connection with competitive goods because the public does not primarily understand the term as a brand name, the pertinent question is whether the term at issue is a commonly understood name of those goods.

The second, most egregious, error of the Anti-Monopoly appellate decision is its adoption of a "motivation" test to determine the "primary significance" of the term MONOPOLY. Believing that public recognition that the product bearing the contested term comes from a single source does not suffice when the product is "unique," the Ninth Circuit sought some method to delve into the minds of consumers. Since "primary significance" by definition means that the consumer's understanding of the term as a trademark must override the consumer's understanding of the term as an identification of the product, the court determined that the public must believe the term at issue primarily refers not to "product-related" aspects of the goods, but to "source-related" factors. Thus, according to the court, if the public would buy the MONOPOLY game for "product-related" reasons—for example, because it liked the way the game plays—the public is not attaching trademark significance to the term MONOPOLY.

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[30] For examples of other decisions applying the "genus-species" test, see, eg, Keebler Co. v. Rovira Biscuit Corp., 624 F2d 366, 207 USPQ 465 (CA 1 1980); Reese Publishing Co., Inc. v. Hampton International Communications, Inc., 620 F2d 7, 205 USPQ 585 (CA 2 1980); Abercrombie & Fitch, supra note 1; Council of Better Business Bureaus, Inc. v. Better Business Bureau of South Florida, Inc., 200 USPQ 282 (SD Fla 1978); Editorial America S.A. v. Gruner + Jahr AG & Co., 213 USPQ 498 (TTAB 1982). See also McCarthy, supra note 4, §12:6.

But, if the public buys MONOPOLY because it likes its producer, this would be a "source-related" reason for the purchase, and would demonstrate primary trademark significance.

The "motivation" test, and its separation of "product related" from "source related" reasons for a purchase, manifests several fundamental misconceptions of trademark law. The division of motivations ignores, or rather severs, the essential link the consumer makes between the "product related" qualities he seeks, and a single source. As the Supreme Court has stated, "A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. . . . [The producer's] aim . . . [is] to convey through the mark, in the minds of potential consumers, the desirability of the commodity upon which it appears." [31]

For example, take two famous trademarks for chocolate wafer cookies filled with vanilla cream, OREO and HYDROX. Cookie connoisseurs will know that OREO cookies and HYDROX cookies are not exactly the same: the OREO filling is somewhat richer and thicker, while the HYDROX wafers impart a slightly more intense chocolate flavor. Thus, the trademarks alert consumers to, and serve as shorthand for, these subtle differences. These differences also influence the purchasing decision. Consumers who favor a more generous filling are likely to select OREO cookies, while consumers partial to a stronger chocolate taste will probably prefer HYDROX cookies. Thus, the choice between these cookies is likely to be made for cookie-specific, "product related" reasons. According to the Ninth Circuit Court of Appeals' approach, both OREO and HYDROX would be generic for each distinctive variety of chocolate wafer-vanilla cream cookie (indeed, their distinctions would probably confine each cookie to its own "genus"), and this result would apparently apply despite demonstration that consumers fully expect and believe that every time they encounter the term OREO (or HYDROX) on a box of cookies, that term informs the consumers that the cookies consistently come from the same source.[32]

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[31] Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co., 316 US 203, 205, 53 USPQ 323, 325 (1942).

[32] Lest the reader think this a frivolous or extreme example, we refer to the court's own discussion of the trademark TIDE. Attempting to demonstrate the irrelevance of Anti-Monopoly's motivation survey, General Mills conducted a similar survey with respect to TIDE detergent; not surprisingly TIDE fared poorly. Nonetheless, the results of application of the "motivation" test to TIDE did not motivate the Ninth Circuit Court to reconsider the validity of its approach.

Applying the logic of its "motivation" test, the Ninth Circuit Court observed that the failure of TIDE (whose eighty-nine percent score on the "brand name" test makes

The "motivation" test's requirement that consumers buy the product because of its producer also runs afoul of the well-recognized "single anonymous source" rule. This rule acknowledges that the public often will not know the name of the producer or manufacturer behind the trademark. Therefore, so long as the public believes the term claimed as a trademark to refer exclusively to a single source, "the 'source' identified by a trademark need not be known by name to the buyer. It may be anonymous in the sense that the buyer does not know, or care about, the name of the corporation that made the product or the name of the corporation which distributes it." [33] Under the Ninth Circuit approach, however, the public's ignorance of the actual manufacturer, or its parent company, would doom a trademark; a public which does not know who the producer is can hardly be expected to buy the product because of the identity of the producer.

These considerations demonstrate the inappositeness of the Anti-Monopoly "motivation" test to any rational evaluation of genericism. Indeed, as Judge Nies of the Court of Appeals for the Federal Circuit aptly branded it, the motivation test is "an esoteric and extraneous inquiry." Judge Nies' further comments on the "motivation" test deserve quotation:

> Once it is understood that a trademark is functioning to indicate "source" when it identifies goods of a particular source, the truism [that a trademark indicates the source of the goods, not merely the goods themselves] then reflects the above-stated objectives of trademark law [to protect business identity and guard against consumer confusion] and the way trademarks actually function in the marketplace. The reason

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it one of the most popularly recognized trademarks) to score over thirteen percent on the motivation test suggested that "Procter and Gamble might have cause for alarm." Anti-Monopoly IV, supra note 8 at 1326, 216 USPQ at 596. Since sixty percent of the surveyed public stated it would buy TIDE because it does a good job, and sixty-eight percent stated it would buy TIDE primarily because it likes the detergent, the Court stated, "We suspect these results tend to show that the general public regards 'Tide' as the name of a particular detergent, having particular qualities, rather than as one producer's brand name for the same detergent which is available from a variety of sources." Ibid. According to the court's inexorable logic, it appears: (1) TIDE, as a good quality detergent, is, like MONOPOLY, in a product category of its own; (2) the public's selection of "product related" reasons for buying TIDE (it does a good job) means that the name TIDE is generic.

[33] McCarthy, supra note 4, §3:3B at 92. See also E. I. duPont de Nemours & Co., Inc. v. Yoshida International, Inc., 393 F Supp 502, 527 fn 57, 185 USPQ 597, 616 (EDNY 1975) (declining to take into account evidence that the public was not aware that DuPont was the producer of TEFLON: such evidence "would be pertinent on the genericization issue only if the mark itself were an important component of the name of the manufacturing company, e.g., Coca-Cola Bottling Co. But where, as here, the mark is entirely distinct from the identity of the manufacturer, such evidence is of no value.").

the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic. . . . [The motivation] rationale ignores the reality that the primary objective of purchasers is to obtain particular goods, not to seek out particular sources or producers, as such. Motivation does not change a descriptive term which has acquired distinctiveness or any arbitrary word, name, symbol or device into a generic designation. The correct inquiry is whether the public no longer associates what was a trademark with that single source.[34]

C. A Proposed Evaluation of Genericism

The genericism doctrine, properly applied, raises a two-part inquiry: (1) How the first user of the term at issue and the relevant purchasing public have been using the term; and (2) What does the purchasing public primarily understand the term to mean?

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[34] In re DC Comics, supra note 6 at 1054, 215 USPQ at 404 (Nies, J., concurring) (emphasis omitted). The Patent and Trademark Office recently has indicated its agreement with Judge Nies' rejection of the motivation test. See PTO brief in Matter of Polar Music Int. A.B., No 83-501 at p 12 fn 5 (CA FC 1983).

One might further argue that the Ninth Circuit Court of Appeals erred in embarking on its genericism excursion at all. Since the genericism doctrine disqualifies from trademark protection those terms which are, or have come to be, the common names of the goods at issue, so that competitors may compete freely in those goods, one might contend that absent actual or potential competition in the goods whose trademark is alleged to be generic, there is no basis to allege genericism. In Anti-Monopoly the parties produced different board games. There was no question that the MONOPOLY mark did not commonly identify board games generally. Thus, the producer of the ANTI-MONOPOLY game did not need to appropriate the term MONOPOLY in order to inform the public that his product was a board game. When the court held that MONOPOLY was generic for that particular board game, it neglected to observe that ANTI-MONOPOLY was not the same game, or even an "anti-" version of it. Had plaintiff in Anti-Monopoly sought to produce a MONOPOLY game, or even an "anti" MONOPOLY one, then its alleged need to call that game by that name would properly have provoked a genericism inquiry. But MONOPOLY, if generic at all, is not generic for some other game.

This argument, albeit appealing, is incorrect, at least in those instances where (as in the Anti-Monopoly case) the trademark proprietor is claiming that the challenger's mark infringes his trademark. Even though the challenger may not be producing the same goods, the challenged mark, if enforced, would forbid the challenger from using the term on his goods. But if the term is generic, it is not a trademark. A producer of the same goods or of related goods who uses the term therefore cannot be committing trademark infringement, and should be free to make generic use of the term with respect to those goods.

Assuming the Ninth Circuit Court was correct that MONOPOLY is the generic term for a particular real estate trading board game, however, the question still remains whether the designation ANTI-MONOPOLY for a board game which is not a variant of the MONOPOLY game is misleading. The District Court in Anti-Monopoly I observed that "Use of the entire name MONOPOLY in the [ANTI-MONOPOLY] game title gives rise to an inference that the game is a variation of the MONOPOLY game. . . ." Supra note 21 at 639. The producers of ANTI-MONOPOLY therefore may have been falsely describing the nature of their game. Whether that portion of Section 43(a) of the Lanham Act, 15 USC §1125(a), which forbids false advertising, would afford the producers of MONOPOLY a claim for injunctive relief or damages is a question we do not pursue in this article.

1. *First User's Use and Public Misuse*

Although terms traditionally have been classified as either coined, arbitrary, suggestive, descriptive or generic, it is useful for purposes of the genericism inquiry to review the terms according to the manner in which they are adopted and used. There are four primary categories: (a) new combinations of descriptive terms for a pre-existing product (e.g. VISION CENTER for clinic providing optical services);[35] (b) new combinations of descriptive terms for a new product (FAST FRYERS for quick-frying chickens);[36] (c) suggestive, arbitrary or coined terms or combinations of terms for a pre-existing product (TIDE for laundry detergent); and (d) suggestive, arbitrary or coined terms or combinations of terms for a new product (ESCALATOR for moving stairs).[37]

Terms comprising categories (a) and (b) are, ab initio, merely (or otherwise) descriptive. Since, however, the public has never before encountered these new descriptive combinations, these combinations of terms are not "born" generic because, as new combinations, they are not, by definition, commonly used. Further, these descriptive terms can acquire distinctiveness ("secondary meaning") and thereby achieve trademark status. Therefore, in assessing whether such terms have become entitled to protection and registration, the proper inquiries are: has the term been properly used and promoted by the first user; and has the relevant purchasing public come primarily to understand the term as denoting source, that is, as the brand name of the goods of that single producer.

Since (1) these descriptive terms are not initially in common use and may, through proper use and promotion, acquire distinctiveness, and (2) public understanding ultimately determines whether the term is or is not generic, it further follows that an administrative or judicial ruling that such a term is generic on grounds that the term "aptly" or "obviously" describes the goods[38] is improper in the absence of evidence of the first user's use and of public understanding. Further, because the meaning of a term is subject to change, what may seem "apt" or "obvious" to an individual arbiter may not be so to the relevant purchasing public. Moreover, ruling a descriptive term generic in the absence of evidence of the term's use and of consumer understanding may doom a term which, through proper use and promotion, in reality has begun acquiring distinctiveness and which potentially may achieve trademark status.

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[35] See, The Vision Center Inc. v. Opticks, Inc., 596 F2d 111, 116 fn 12, 202 USPQ 333, 340 fn 17 (CA 5 1979), cert denied 444 US 1016, 204 USPQ 696 (1980) ("Although the phrase is descriptive of a business that deals in optical goods, we do not think that it has become a common, recognized name of such establishments").

[36] Included within these categories of descriptive terms are new variations or versions of terms which are descriptive or, arguably, generic. For example, the term LITE for less-filling, "light" beer. See discussion infra at text at notes 60-66.

[37] As previously noted, it is a rare situation where a producer would adopt as an intended trademark a term already commonly used and understood by the public as the common name of the product.

For the same reasons, it should not be the province of a Patent and Trademark Office Trademark Attorney in initial ex parte registration proceedings to rule such a term generic. The Trademark Attorney should not assume the prerogative at the outset of ruling the term incapable of attaining trademark significance. If an applicant seeks to register a term which the Trademark Attorney deems merely descriptive, the applicant has the right and the obligation to demonstrate that the term has acquired distinctiveness through the applicant's proper use of the term as a trademark.[39] If a merely descriptive term is properly used, it should not be found generic. If it is improperly used, that improper use (and insufficient evidence of distinctiveness), but not the initial selection of the term, is what justifies a denial of registration.

A producer makes proper trademark use of a merely descriptive term if his labeling and advertising promote recognition of the term as a brand name for the goods. Improper use occurs when the producer uses or promotes the term as a mere synonym

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38. Several decisions have held terms generic on the ground that the term at issue is the "obvious" name of the article or service, even though the term itself may not have been a part of the common vernacular. See, eg, Surgicenters of America Inc. v. Medical Dental Surgeries, Inc., 601 F2d 1011, 202 USPQ 401 (CA 9 1979) ("surgicenter" for "services rendered in and out of surgical facilities"); Leon Finker Inc. v. Schlussel, 469 F Supp 674, 202 USPQ 452 (SDNY 1979), affd mem 614 F2d 1288, 204 USPQ 433 (CA 2 1979) ("trilliant" and "trillion" for "triangle shaped brilliant cut diamonds"). But see, In re Ideal Industries Inc., 508 F2d 1336, 184 USPQ 487 (CCPA 1975) (Rich, J.) (WING-NUT for flanged wire connectors, albeit an "apt descriptive name," held not so "apt" as to be generic; "the name of the goods is wire connectors"); Salton Inc. v. Cornwall Corp., 477 F Supp 975, 205 USPQ 428 (D NJ 1979) (holding term HOTRAY for electric food warmer descriptive of a tray that gets hot, but not generic). See also, In re H.U.D.D.L.E., 216 USPQ 358 (TTAB 1982) (holding TOOBS for towel racks and other kitchen and bathroom fixtures made of curved tubes merely descriptive; genericism suggested in dictum. This suggestion was improper; the common name of the goods was towel racks, not tubes).

39. A showing under Section 2(f) of the Lanham Act, 15 USC §1052(f), includes submission of samples of the goods, and examples of advertisements. Trademark Rule of Practice 2.41. A Section 2(f) showing also may include survey evidence. Ibid.

for the goods, or as one which simply describes the qualities of the goods. The slide toward genericism may also occur when the producer fails to police against public misuse of the term as a mere synonym for the goods. If the merely descriptive term is used properly, the public should come to understand that the term functions dually: the term both describes the kind of goods offered, and signals that the goods come from one source. If the term is misused, the public will understand that the term identifies the kind of goods offered, but will not associate the goods with any one source; rather, the term will denote a kind of goods which may come from any number of sources.

Improper use rendering a term generic is by no means confined to merely descriptive terms. An arbitrary or fanciful term (i.e., a term which initially had no commonly understood descriptive or designative meaning with respect to the goods) may also become generic through the producer's or the consuming public's misuse of the term as a synonym for the goods. "Thermos," "cellophane," "aspirin" and "escalator" are famous examples of fanciful words which, over time, lost public association in the United States with a single source, and came solely to denominate the goods to which they were applied.[40] In these cases, the producers themselves used the terms generically, and substantially failed to police against public misuse of the term.

Whether a term initially be merely descriptive, or arbitrary or fanciful, proper trademark use and policing against public misuse of the terms therefore are crucial to maintenance of trademark status. The recent rash of circled "R"s and insertions of the word "brand" in packaging and advertisements represents producers' heightened sensitivity to the dangers of improper promotion and policing.[41]

Not all public misuse of a trademark as shorthand for the goods to which the mark is applied, however, results in a finding of genericism. As one court correctly stated in rejecting a genericism challenge to the mark DICTAPHONE, the question is not only whether the public misuses the term, but how the term is misused, and whether that misuse betrays ignorance that the term is a trademark. Thus, while many persons may colloquially misuse DICTAPHONE as a convenient shorthand for any brand of dictating machine, this does not mean that these same persons do not know that DICTAPHONE is one company's brand name for its dictating machine. The Court therefore isolated the pertinent category of misuse: the "only truly relevant usage . . . was the use of 'Dictaphone' by buyers when seeking to buy dictation equipment." In fact, few buyers misused DICTAPHONE, and in the case of those who did, "on further inquiry, the customers usually realized that they had used 'Dictaphone' mistakenly."[42] Finally, misuse of a trademark does not result in a finding of genericism when the misuser of a trademark is a competitor seeking by his misuse to cast the term into the common vernacular.[43] Whether the misuse is the public's or a competitor's, the question remains whether colloquial misuse of a trademark as a convenient synonym for a product is simply a slip of speech, or reveals public ignorance of the term's source-denoting function.[44] The latter cannot be determined without a fuller inquiry into public understanding of the term's meaning.

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[40] See citations, supra note 18.

[41] For example, the Xerox Corporation has been endeavoring to promote consumer awareness of its trademark through the advertisement "There are two Rs in Xerox"; the second "R" is the trademark registration symbol ®. Similarly, Robert Young was seen on television extolling "SANKA brand decaffeinated coffee." Selchow and Righter packages its famous SCRABBLE game as "SCRABBLE® Brand Crossword Puzzle Game." See also, Sidney A. Diamond, How to Use a Trademark Properly, 61 TMR 431 and USTA Executive Newsletter, No 9 (April 1971), an update of which currently is being prepared by William M. Borchard, Member of the Board of Directors, USTA.

2. *Public Understanding*

Despite the Ninth Circuit Court of Appeals' anomalous decision, the prevailing test for genericism has been: "What do buyers understand by the word for whose use the parties are contending?"[45] In other words, determining public understanding, not motivation, reveals whether the term at issue is a trademark, or is or has become generic. Moreover, as the Supreme Court, and innumerable lower court decisions have declared, public understanding that the term is a trademark must be "primary" or "major."[46] That is, the term at issue must, to a majority of the public, more than incidentally or subordinately signal a product's source. These statements do not, however, explain how to determine how the public sorts out and ranks product-producer associations in its collective mind.

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[42] Dictaphone Corp. v. Dictamatic Corp., 199 USPQ 437, 445 (D Ore 1978). Accord, E. I. duPont, supra note 33 at 526, 185 USPQ 597.

[43] See, eg, Stix Products Inc. v. United Merchants & Mfgrs., Inc., 295 F Supp 479, 160 USPQ 777 (SDNY 1968) (involving CON-TACT for self-adhesive plastic coverings).

[44] For the same reasons, inclusion of a term as a common noun in a dictionary should not be the sole basis for determining that a term is generic.

[45] Bayer Co. v. United Drug Co., supra note 18 at 509, 11 TMR 178 (L. Hand, J.). Accord, the Ninth Circuit Surgicenters of America case, supra note 38 at 1016, 202 USPQ at 405 ("in making the sometimes elusive determination of genericness courts have consistently followed the test stated by Judge Learned Hand in Bayer Co., Inc. v. United Drug Co. . . .").

[46] See, eg, Kellogg Co. v. National Biscuit Co., supra note 2 at 118, 39 USPQ 296 ("primary significance"); King-Seeley Thermos Co., supra note 18 at 579, 138 USPQ 349 ("major significance").

As discussed above, the manner in which a trademark proprietor and the public use the term at issue affords some indication of public perception of the term, but this alone is not enough. The best gauge of the public's primary understanding, we believe, combines examination of these uses with evaluation of the results of a survey based on the survey endorsed in E. I. duPont v. Yoshida,[47] (the TEFLON-EFLON survey), and rejected by the Anti-Monopoly appellate court. Our version of this survey would include the term at issue in a list which intersperses widely-recognized brand names for single products, such as TIDE, COKE and SANKA, with various common names, such as refrigerator, aspirin and margarine. The interviewee would be asked to indicate which of these names are common names, and which are brand names.[48]

It is important to note that these widely-recognized single product marks function dually. That is, these terms both evoke a type of product, and would also inform the interviewee that the product comes from a single (although perhaps anonymous) source. For example, the term SANKA identifies the product, decaffeinated coffee, and the term COKE denotes a cola beverage. But these terms also would be recognized by the interviewee as the brand name of a decaffeinated coffee and a cola beverage, respectively. The interviewee's recognition of these terms as brand names, despite the terms' capacity to identify a type of product, demonstrates that the terms' dominant meaning is as a trademark. By contrast, the term "refrigerator" identifies the product, but conveys no indication that the product comes from a single source. Its only meaning, therefore, is as a common name. Because the survey limits the universe of potential responses to the choices "brand name," "common name" or "don't know," the interviewee's primary understanding of the disputed term will be reflected by his answer. Therefore, if the interviewee responds "brand name" even though the disputed term will, as a single product mark, also have called forth the product in the interviewee's mind, the interviewee's selection of the rubric "brand name" must mean that, to the respondent, the term's trademark significance overwhelms the term's product-denoting function. The term therefore enjoys "primary" trademark significance.[49]

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[47] Supra note 33.

[48] The original TEFLON-EFLON survey and its results were reproduced id at 526 fn 54, 185 USPQ at 615. The survey found the following to be brand names: STP (90%-5%-5% don't know); THERMOS (51%-46%-3%); TEFLON (68%-31%-2%); JELL-O (75%-25%-1%) and COKE (76%-24%-0%). "Margarine" (91%-9%-1%), "refrigerator" (94%-6%-0%) and "aspirin" (86%-13%-0%) were found to be common names.

Since STP now is applied to more than one kind of automobile-care product, and the JELL-O mark now appears on puddings as well as gelatin desserts, a survey based on the TEFLON-EFLON test today should include different brand names, thus ensuring that all the selected brand names are single product marks. For example, in place of STP and JELL-O, the survey might include SANKA, Q-TIPS or BETAMAX.

The flaw in the rejected Anti-Monopoly version of the TEFLON-EFLON survey, which defined brand name as "one company's" mark (and thus automatically defined a "unique product" as a brand name) can be remedied by omitting the definition, and simply supplying the interviewee with examples of brand names and common names. Since exposure to both brand names and common names is a familiar experience to the public, interviewees provided with such examples will pick up on the concept of brand name versus common name. Attempting to afford consumers precise definitions of these terms may result only in confusion; although a consumer may have his own understanding of the difference between a brand name and common name, this understanding may not be the same as the definition. Since understanding is being tested, once the interviewee who has been given various examples indicates that he understands the difference between brand names and common names, a survey based on the TEFLON-EFLON test can be administered.[50]

In addition to its accuracy as an indicator of trademark understanding, a properly introduced TEFLON-EFLON-type survey manifests two further virtues. It is easy to administer, and it is "self-validating." That is, responses correctly identifying the common names and the well-known brand names on the list will confirm the status of the term at issue. Moreover, having been approved by several courts,[51] this kind of survey is probably the most widely-used device to gauge trademark significance. Universal adherence to this test would eliminate the current confusion and inconsistency which judicial subscription to different tests now promotes. As comparison of a TEFLON-EFLON-type survey with the Anti-Monopoly "motivation" test reveals, what may appear to be a trademark under one test may not be a trademark under another.[52] Given disparate tests, a trademark proprietor can never be sure what is the status of his mark, and therefore suffers uncertainty in this use and policing of the mark.

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[49] Answers in the "don't know" category should, perhaps, be interpreted as indicating lack of trademark significance. If the respondent does not know, then the term's trademark meaning obviously cannot be "primary" to him, (though if he is not instructed that certainty is not necessary, he may simply be exercising caution to avoid giving the "wrong" answer). The "don't know" category certainly ensures that a majority response of "brand name" will reflect consumer certainty that the term is a trademark.

One might consider further whether an "I never heard of it" choice on a TEFLON-EFLON survey might be appropriate. Unlike the "don't know" response, which has the same effect as a "common name" response, an "I never heard of it" response is neutral: the term means neither a "brand name" nor a "common name." Indeed, such a response would remove from the "don't know" category persons who have no basis for a choice, as opposed to persons who have encountered the term, but simply are not sure of its meaning.

[50] The original TEFLON-EFLON survey apparently explained the difference between brand names and common names by way of examples (eg. CHEVROLET/car) rather than by resort to a definition. Id at 526, 185 USPQ at 615.

Although we refer to our proposed survey as "a TEFLON-EFLON survey," the proposed survey is not in all respects identical. The methodology is the same, but the names on the list would to some extent differ. See supra note 48.

The persons who should be interviewed in a TEFLON-EFLON survey are the actual purchasers of the goods. These are the persons who would be expected to encounter the term as a trademark, and for whose patronage the first user and the challenger are competing. It is extremely important to isolate the relevant class of consumers because terms used as trademarks may convey different meanings to the purchasing public and to members of "the industry." For example, in a trademark infringement action initiated by the producers of TYLENOL against the producers of EXTRANOL, defendant claimed that the suffix "-NOL" was generic because persons in the pharmaceutical industry understood the term to designate any non-aspirin based pain reliever. The Court rejected this argument on the grounds that the "consuming public" did not perceive the term as generic, and that absent such perception, the term "cannot truly be considered 'generic'. . . ."[53]

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[51] See Dictaphone, supra note 42 and E. I. duPont, supra note 33.

[52] Another, somewhat frequently used opinion survey, is patterned after the one set forth in the District Court's opinion in American Thermos Products Co. v. Aladdin Industries, Inc., 207 F Supp 9, 21 fn 8, 134 USPQ 98, 108 (D Conn 1962), affd sub nom King-Seeley Thermos Co. v. Aladdin Industries, supra note 18. This survey inquired what respondents would call a product of a given description. This survey however fails to assess whether the name offered is viewed as a "brand" name or as a "common" name. For example, in response to the question "What would you call a paper product with which you wipe your nose?," interviewees might well reply "Kleenex." This does not in any way indicate whether or not the interviewees know that KLEENEX is one producer's brand name for "tissues." See, eg, E. I. duPont, supra note 33 at 527, 185 USPQ at 616 (criticizing and rejecting a survey which asked interviewees to supply "a name" for a product of a given description because "respondents were, by the design of the questions, more often than not focusing on supplying the inquirer a 'name,' without regard to whether the principal significance of the name supplied was 'its indication of the nature or class of the article, rather than an indication of its origin.'"). Cf Dictaphone, supra note 42 (casual misuse by the public of a trademark as shorthand for the product does not reveal whether the public is in fact ignorant that the term is a trademark). Compare American Thermos Products Co., id at 21-22, 134 USPQ at 108 (seventy-five percent of survey respondents replied that they would call a container which keeps liquids hot and cold a thermos), with E. I. duPont, supra note 33 (fifty-one percent of TEFLON-EFLON survey respondents stated that THERMOS was a "brand name").

On the other hand, in some instances, the actual purchasers are not the general public, but members of a particular trade or industry. In these instances, the nonpurchasing general public may not perceive the term at issue as a trademark, but the actual industry purchasers might. For example, while to some members of the general public, FORMICA may be simply a synonym for plasticized-wood wall or furniture coverings, to interior decorators and persons in the construction industry who actually purchase the product, the generic term is known to be "plastic laminate," and FORMICA is recognized as a particular producer's brand name. The appropriate class of interviewees for a TEFLON-EFLON-type survey concerning FORMICA therefore would not be the general public, but interior decorators and contractors. By the same token, some products and marks are first test marketed or sold in a restricted geographic area. Consumers in the test market areas therefore may recognize the term as a brand name, but consumers nationwide, who have not been exposed to the goods or term at issue, may not. Therefore, the appropriate class of interviewees would be confined to consumers in the restricted geographic areas.

Finally, what percentage of the respondents to a survey based on the TEFLON-EFLON test must reply "common name" to result in a ruling of genericism? Although some courts reviewing public understanding of a term's meaning, whether under a TEFLON-EFLON-type test, or through some other measure, have stated that substantially all buyers must equate the term solely with a product,[54] most have required a simple majority understanding of the term as a common name.[55]

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[53] McNeil Laboratories, Inc. v. American Home Products Corp., 416 F Supp 804, 808, 193 USPQ 486, 490 (D NJ 1976). Accord, Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 561 F2d 1365, 1369, 195 USPQ 417 (CA 10 1977), cert denied 434 US 1052 (1977) (relevant meaning is to purchasing public, not to the industry); Salton Inc. v. Cornwall Corp., supra note 38 at 985, 205 USPQ 428 (same); Stix Products, supra note 43 at 488, 160 USPQ at 785 (Evidence of generic or descriptive usage of term CON-TACT in trade journals does not illuminate the inquiry; "[the] meaning to a nonpurchasing segment of the population is not of significance; rather, the critical question is what it means to the ultimate consumer."); Editorial America, S.A. v. Gruner + Jahr AG & Co., supra note 30 (reference to NATIONAL GEOGRAPHIC magazine by members of the publishing industry, but not by the general reading public, as "National Geo" does not render term GEO generic for geographical magazines). Cf Bayer Co., supra note 18 ("aspirin" held generic term in the understanding of the general public, but a trademark to chemists, physicians and pharmacists; competing producers therefore permitted to use "aspirin" term for over-the-counter sales, but initially required to use professionally understood generic term, acetyl salicylic acid, for sales to the "trade").

D. De Facto Secondary Meaning

One of the most confusing aspects of judicial treatment of the genericism doctrine is the concept and application of the so-called "de facto secondary meaning" rule. Briefly stated, the rule holds that even when the public is aware that there is only one source for the goods whose term is at issue, that term will not be entitled to trademark protection.[56]

There are two types of "de facto secondary meaning." The first type arises in those situations in which the public does not recognize the term at issue as a brand name, but nonetheless may know that there is a single source for the goods. This occurs when the producer is the single source of the goods because he enjoys a patent monopoly, or because others are otherwise unable or unwilling to compete, and the producer has not been using the term applied to the goods in a proper trademark fashion. Although the term may have been arbitrary or suggestive, or may have been a descriptive term capable of achieving trademark significance, the producer's misuse has converted the term into a generic designation. Had there been competition in the goods, the term at issue therefore would mean simply those goods from any source. The reason the public may be aware that there is only one source for the goods is not because the term applied to the goods is used and perceived as a brand name, but because the public happens to know that no others produce those same goods. Since "secondary meaning" is a term of art for public understanding that a term with descriptive connotations is a brand name, it is clear that in this kind of situation there is no "secondary meaning"; hence the, perhaps unfortunate, rubric "de facto secondary meaning."

The other type of "de facto secondary meaning" occurs in those rare instances where a producer selects as a trademark a term which is deemed to have been already the commonly recognized, i.e. generic, name of the goods, but, through substantial advertising, proper trademark use, and market dominance, succeeds in establishing public trademark recognition for this otherwise common name.[57] In this case, despite the "de facto secondary meaning" appellation, there is real secondary meaning, because the public has come to understand the term as the producer's brand name. Nonetheless, the judicial result is the same whether the term became generic (but the public, because of the producer's de jure or de facto monopoly, knew there to be a single source), or whether the term began generic (but acquired actual public recognition as a brand name). Courts have stated that "de facto secondary meaning" of either type cannot convert a generic term into a trademark.[58]

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[54] See eg, Marks v. Polaroid Corp., 129 F Supp 243, 105 USPQ 10 (D Mass 1955) affd 237 F2d 428, 111 USPQ 60 (CA 1 1956), cert denied 352 US 1005, 112 USPQ 494 (1957); see also Dictaphone Corp., supra note 42 at 445.

[55] See, eg, King-Seeley Thermos, supra note 18; McCarthy, supra note 4, §12:2C.

[56] See generally McCarthy, supra note 4, §§12:14, 12:15.

The rationale for the statement is plain: if the term initially was, or has become, the common name of the goods, persons endeavoring to compete once the patent has expired, or once the market allows for competition, must be able to call the goods by their commonly recognized names. To permit a producer the exclusive use of a term which either was initially generic, or which has become generic, but which enjoys either type of "de facto secondary meaning," would in effect afford that producer an improper extradurational monopoly in the goods. Thus, at bottom, the "de facto secondary meaning" doctrine reflects the legal conclusion that even if the public is aware that there has been only one source for the goods whose term is at issue, or even if the public further perceives the term as a brand name, that term must be held free for competitive use if it is in fact the commonly recognized name of the goods.[59]

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[57] See, eg, In re G.D. Searle & Co., 360 F2d 650, 149 USPQ 619 (CCPA 1966) (Plaintiff drug company's attempts to build up public recognition in "The Pill" as its trademark for oral contraceptive, even if successful, would not entitle it to registration because as a generic term, "The Pill" "cannot be appropriated as a trademark").

This second type of de facto secondary meaning is also, and improperly, applied where the producer selects as a trademark a variation of a commonly recognized name for the goods. See Miller Brewing Co. v. G. Heileman Brewing Co., supra note 3 (LITE for light beer). See discussion infra text at notes 60-66.

[58] See, eg, S.S. Kresge Co. v. United Factory Outlet, Inc., 598 F2d 694, 696-97, 202 USPQ 545 (CA 1 1979); Reese Publishing Co., supra note 30.

[59] Cf Kellogg Co. v. National Biscuit Co., supra note 2. In that case, Nabisco had, pursuant to a patent, been the exclusive producer of Shredded Wheat. The Supreme Court's somewhat delphic opinion indicates that the Court considered the term Shredded Wheat either generic ab initio, or used in a generic fashion by Nabisco. Hence, any source recognition stemmed only from Nabisco's legal exclusivity. Once the patent expired, continued protection for the name "shredded wheat" would have effectively foreclosed competitors from informing consumers that they, too, produced the pillow-shaped wheat cereal. See also Singer Mfg. Co. v. June Mfg. Co., 163 US 169 (1896) (holding that trademark SINGER fell into public domain along with expiration of patent on sewing machines because public referred to sewing machines generically as "a singer"). But see, Singer Mfg. Co. v. Briley, 207 F2d 519, 99 USPQ 303 (CA 5 1953) (holding mark SINGER for sewing machines "recaptured" from the public domain because in the intervening years, Singer Mfg. Co. had extensively promoted SINGER as a trademark, and there had been a proliferation of brand names in connection with competing sewing machines).

The second type of "de facto secondary meaning," which disregards evidence of actual secondary meaning if the court believes the term at issue to have been generic ab initio, is prone to abuse; it may be evoked improperly to shore up an incorrect ruling of initial genericism. As a result, one court has strongly questioned the validity of this type of "de facto secondary meaning." That court maintained that the concepts of genericism and secondary meaning are opposites: if a term is truly generic, it is not perceived as a brand name; if the term enjoys true secondary meaning, that is, if the public perceives the term as a brand name, then the term cannot be generic.[60] This criticism is correct to the extent that it suggests that the term at issue was not generic ab initio, but was merely, even "aptly," descriptive. Where the term at issue was in fact the commonly recognized name of the goods, however, the criticism fails to meet the legitimate policy considerations underlying the de facto secondary meaning rule.

The Lite beer decisions illustrate both proper and improper invocation of the second type of de facto secondary meaning. Miller Brewing Co. owned a trademark registration of LITE for reduced calorie, low alcohol content, light beer. Miller initiated infringement actions against several producers labeling their less-filling beers "Light." Despite survey evidence showing public recognition of LITE as a trademark, the Seventh Circuit Court of Appeals held, on the basis of industry practice, dictionary definitions, and state statutory references to low alcohol content beers as "light," that "Light" was the generic term for low alcohol content, light beers. The court held LITE, as a mere misspelling of Light, equally generic,[61] and in a subsequent case ordered cancellation of the trademark registration.[62]

Note, however, that expiration of a patent does not necessarily mean that the term applied to the patented goods automatically falls into the public domain along with the goods. See, eg, Dresser Industries, Inc. v. Heraeus Englehard Vacuum, Inc., 267 F Supp 963, 969, 152 USPQ 743, 748 (WD Pa 1967), affd 395 F2d 457, 158 USPQ 65 (CA 3 1968), cert denied 393 US 934, 159 USPQ 799 (1968) ("Where during the life of a patent, a name, whether it be arbitrary or that of the inventor, has become the identifying and generic name of the thing patented, this name passes to the public with the expiration of the patent. . . . However, the mere expiration of the patent covering the thing patented does not cause the name of the thing to pass . . . into the public domain. The test is whether the name of the patented thing has become generic, that is, whether the name of the patented thing has come to mean primarily what kind of thing it is, rather than that it comes from a single source."

[60] Miller Brewing Co. v. Falstaff Brewing Corp., supra note 7 at 907-08, 208 USPQ 919.

[61] Miller Brewing Co. v. G. Heileman Brewing Co., supra note 3.

[62] Miller Brewing Co. v. Jos. Schiltz Brewing Co., 605 F2d 990, 203 USPQ 642 (CA 7 1979), cert denied 444 US 1102, 205 USPQ 96 (1980).

Three years later, in another forum, Miller initiated a Lanham Act Section 43(a) claim against a producer of light beer who was also labeling its beer LITE, on the ground that concurrent usage of the term LITE fostered consumer confusion as to the source of the beer. The District Court of Rhode Island criticized the Seventh Circuit Court for its conclusory ruling that LITE imparted the same commercial impact as "light." The District Court held that if the term LITE had ever properly been ruled generic, Miller had in the intervening years recaptured trademark significance in the term.[63] The First Circuit Court of Appeals reversed, holding that the District Court should have accorded preclusive (collateral estoppel) effect to the Seventh Circuit decision, and that even if LITE now signaled Miller to the public, the term still continued to mean light beer.[64]

The Seventh Circuit's first holding, that the term "light" was the commonly recognized name for light beers, may have been proper.[65] To the extent that the decision permitted competitors to label their beers "light," despite public trademark recognition of LITE, the court's holding comports with the basic principles of the genericism doctrine. More dubious, however, is the holding that LITE is just as generic as "light." Although the court observed that the two terms sound alike, the court did not consider the different visual and commercial impact of the terms. Indeed, while LITE was certainly descriptive, it was not generic ab initio, since, in the format used by Miller, the term had not been in common use. Therefore, it does not follow from a holding that "light" was generic ab initio and accordingly free for competitive use, that registration of the term LITE, a descriptive term which was used as a trademark, and had achieved considerable trademark significance, should be canceled, thereby permitting other light beer producers unrestricted use of the term LITE. No commercial interest was advanced by allowing competitors to make a demonstrably confusing use of LITE. Use of that term was not necessary to inform consumers of the nature of the beer; use of "light" would have sufficed. The different commercial impact and the public trademark recognition of LITE should have led to the conclusion that LITE was protectible, albeit only against unauthorized trademark uses of the identical term.[66] Application of the "de facto secondary meaning" rule against LITE, in the face of substantial brand name understanding, simply promotes consumer confusion, without advancing other producers' interests in effective competition.

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[63] Miller Brewing Co. v. Falstaff Brewing Co., supra note 7. The "recapture" doctrine is rarely applied. The Singer cases, supra note 59, offer the only instance in which a term previously ruled generic was later deemed to be no longer the common descriptive name of the article. Moreover, unlike LITE for beer, the term "Singer" before invention of the sewing machines had nothing to do with stitching. Nonetheless, the theory of the "recapture" doctrine acknowledges that language is fluid, and words which today may be in common parlance may in the future drop out of the vernacular. Thus, a now-obsolete term should be subject to trademark protection. For example, we suggest that the term "bodkin" for knives, see Shakespeare, Hamlet, Act III, scene 1, lines 69; 74-75 ("For who would bear the whips and scorns of time /.../ When he himself might his quietus make/ With a bare bodkin") would be a perfectly acceptable trademark.

[64] Miller Brewing Co. v. Falstaff Brewing Corp., supra note 7.

[65] But see, Arthur J. Greenbaum, The Thirty-First Year of Administration of the Lanham Trademark Act of 1946, 68 TMR at 783-85 (1978) (criticizing the Seventh Circuit's apparent equation of descriptive adjectives and generic nouns: "The Seventh Circuit has managed to define a generic term in such a manner that almost any descriptive term could be deemed to be generic.").

E. If the Mark Is Properly Ruled Generic

A ruling of genericism does not necessarily mean that the term in question lacks all trademark significance. Most often, especially where a long-standing mark which has fallen into genericism is concerned, the term will still have trademark significance for some, albeit not a majority, of the purchasing public. Therefore, if the term is held free for competitive use, some people will be confused as to the source of the goods. In this instance, it is appropriate to require the second-comer to label his goods in some distinguishing manner.[67] The manner in which the second-comer may use the generic term, and the form and extent of his distinguishing matter should be dictated by the percentage of the surveyed public which understands the term to be a brand name, and by the extent of the proprietor's prior efforts to educate the public that the term was a trademark. Thus, for example, in the Thermos case, the first user attempted, albeit too late, vigorously to promote the term as a trademark, and about twelve percent of the survey respondents in fact understood the term as a trademark.[68] Therefore the court prohibited the second-comer from labeling his goods as "the original" or "the genuine" THERMOS, and required him to use his company's name in conjunction with the word thermos (in lower case letters).[69] By the same token, when the first user has misused the term, and the public displays little awareness of the term's trademark significance, the second-comer's obligation to distinguish his goods from the first comer's should be correspondingly small.[70]

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[66] Indeed, the "fair use" exception to trademark infringement, which permits competitors to use, in a descriptive, but not in a trademark, fashion, descriptive words making up another's trademark—see 15 USC §1115(b)(4); see generally McCarthy, supra note 4, §11:17—dictates a similar conclusion. Since "light" is generic for light beers, the term can be used by competitors to identify their products; but that does not mean that the term LITE can be used in a trademark fashion by competitors.

For a recent example of application of the fair use rule see Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F2d 786 (CA 5 1983), in which the Court of Appeals for the Fifth Circuit held the term FISH-FRI for fish fry batter mix protectible as a descriptive term which had achieved secondary meaning, but only in that format, and hence held a competitor's descriptive designation of his batter mix as "fish fry" a fair and good faith use.

[67] See King-Seeley Thermos Co., supra note 18.

Conclusion

The trademark doctrine of genericism has suffered from widespread misapprehension and misapplication, most notoriously in the recent Ninth Circuit Anti-Monopoly decision. We have attempted to offer here a rational and consistent approach to determining whether the relevant purchasing public understands the term at issue as the brand name of the goods of a single source, or simply as the name of the goods, regardless of source. Review of the producer's and the relevant public's use of the term in question, together with evaluation of responses to a survey which directs respondents to answer whether the term in question is a brand name or a common name, we believe, supply the appropriate measure of public understanding of a term's status as a trademark or as a generic designation.

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[68] See American Thermos, supra note 52 at 21-22, 138 USPQ 98.

[69] King-Seeley Thermos, supra note 18 at 581, 138 USPQ 349. The first user should be permitted to call his goods "the original," if that producer was in fact the original source of the goods.

[70] When, despite the producer's efforts to educate the public that the term at issue is a trademark, an overwhelming majority of the relevant purchasing public fails to recognize the term as a brand name, there still should be some obligation on the part of the second-comer to negate possible public understanding of affiliation with the first user, particularly when the first user's efforts at instilling trademark awareness have been recent and/or substantial. In such instances, any trademark awareness that exists may be the direct result of the first-user's educational efforts. A non-distinguishing second-comer thus could be profiting by the first user's attempts to build up his own good will in the term.

Senator HATCH. Our final witness today is Prof. Kenneth Germain from the University of Kentucky.

Professor Germain is noted for his numerous scholarly law review articles on trademark law. I want to welcome you to the subcommittee, professor, and look forward to hearing your remarks.

I might mention that we will put your complete statement in the record. It's an excellent statement, and do that without objection. But I am in a bind to be at another major caucus meeting in about 10 minutes, so if you could summarize I would really appreciate it.

STATEMENT OF PROF. KENNETH B. GERMAIN, UNIVERSITY OF KENTUCKY COLLEGE OF LAW, LEXINGTON, KY.

Mr. GERMAIN. Mr. Chairman, I will try to summarize briefly. As you know from looking at my papers, there are three areas covered; I only plan to discuss two of them here, however.

INTRODUCTORY REMARKS

The first one has to do with a summary and critique of the Anti-Monopoly II case, the 1982 decision. I don't really think anything more needs to be said about that because it seems to be quite generally recognized that that decision was in error. And the question therefore becomes what to do about it.

The second part of my presentation has to do with general remarks on the doctrine of genericization, and the third, specific suggestions considering S. 1990.

With regard to the general remarks, genericization is a part of an overall doctrine referred to as genericness. Genericization refers to the acquiring of generic status. And it poses a problem between the two concepts of "unfair" and "competition," which when joined together, create this strange concept of "unfair competition." Competition, of course, in our system is a very good thing; unfairness is, however, a bad thing.

THE NEED FOR LEGISLATION

Why is legislation needed in light of Anti-Monopoly II? I think that's a relevant question. It's not so much that the word "monopoly" has lost its trademark credibility; that may be a shame, but that's not really the question before this group. It is instead whether the opinion, rather than the decision, of the Ninth Circuit Court of Appeals will have some kind of chaotic effect. In my opinion it will.

The Ninth Circuit Court of Appeals issued an opinion which did not have precedent to back it up, in fact misused the precedent, and which also—particularly coming from a court which is generally considered prestigious, which presides over a large geographical area including a large population, and which is generally recognized as having a good deal of experience in commercial and other kinds of matters—is likely to be of major impact. Indeed, as noted by the previous speakers today, the opinion has already been mentioned in a few later decisions.

Compounding the problem, of course, is the U.S. Supreme Court's refusal, despite a number of requests in briefs amicus curiae, to grant certiorari to deal with this matter. This, as I've pointed out in a published article,[1] is not at all atypical of the U.S. Supreme Court, which in modern history has on countless occasions—including many important occasions—refused to grant certiorari in unfair trade or trademark matters, thereby leaving gaps in the corpus juris.

Functionally, the court of appeals level is, therefore, the highest court in the land which will deal with virtually all trademark matters. And the ninth circuit is a leading court, although quite frankly I believe it is an erratic one.

Cancellation of the Federal registration of a trademark has disastrous consequences. It has direct disastrous consequences in the sense that the registration itself is very important to the enforcement of the mark, particularly on the kind of uniform national scale that was intended by the draftsmen of the Lanham Act. Beyond that, the cancellation of the registration, even if not directly linked by the court ordering it, with unenforceability of the mark, will lead to unenforceability because other courts will pick up upon the genericization decision.

Some may say that legislation of the current sort which deals with a narrow matter—and I think properly so—may be in the area of tinkering, using that term pejoratively, meaning that it's fooling around with a major statute, just adjusting one little part if it and therefore perhaps throwing the whole thing out of kilter. I disagree with that argument in this case for two reasons.

One is I think that there is manifest need because of the importance of the area and the likelihood that the "famous"—someone else earlier called it that, but I myself refer to it as "infamous"—*Anti-Monopoly II* decision would spread. And the other thing is that I do believe that the legislation is drawn sufficiently narrowly so that it is unlikely to upset any major legislative apple cart.

THE CONTENT OF THE LEGISLATION

I think that the appropriate thing is to reject virtually every aspect of the Anti-Monopoly II reasoning, both the consumer usage approach and the consumer motivation approach, and to return to the test which is time honored and which was functioning quite well, although that test may require a little fine tuning. That test is whether the mark, or the designation in question serves primarily to indicate source—producer—or product—goods.

That test has worked well, and it should be reinstated. I think that the reinstatement of this test will also tend to reduce reliance upon technical indicia of source indicating capacity such as consumer surveys.

I am not at all against the use of consumer surveys, and do not suggest that they should be barred from evidence. I am concerned, however, that consumer surveys have become overused. I think there has been a tend toward overobjectification which has run afoul of the classic equitable nature of trademark matters, including matters such as genericization.

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[1] K. Germain, The Supreme Court's Opinion in the *Inwood* Case: Declination of Duty, 70 *Ky.L.J.* 731, 731-33 (1981-82).

I also think that there is at least one matter which currently is not addressed in S. 1990 that perhaps ought to be considered, and that is an adjustment of, by express legislation, the burden of proof standard which was changed by the Anti-Monopoly II court of appeals. The prevailing majority rule on this standard before Anti-Monopoly II was that it took "clear and convincing," or perhaps just "convincing" evidence, to overturn a trademark's validity.

Senator HATCH. Do you have any suggestion on the language that you'd like to see in that regard?

Mr. GERMAIN. Yes; in the third part of my statement papers—Appendix C—I think I did. Perhaps I didn't put language in.

Senator HATCH. Let me ask you to do this: If you would meet with Mr. Rader of my staff, and in fact I'd like all of the witnesses this morning to meet with him afterwards. I like your idea. Perhaps all the witnesses could help the committee arrive at the right language. However, the bill has the potential for widespread acceptance as it presently stands so we have to be very careful about any changes. Nonetheless I do like that idea, because we might as well make it very clear what we're doing with this legislation.

Mr. GERMAIN. Thank you. I'd be delighted to meet with him.

In Appendix C I have also made a few suggestions for changes from the current wording, although these are not basically substantive changes. I do think that the legislation ought to reflect very directly, and not just in legislative history, that the various unacceptable aspects of the Anti-Monopoly II decision are being rejected.

And therefore, I suggest that in addition to a rejection of the phrase "purchaser motivation" that there also be an express rejection of "purchaser usage" as a test.

There also, in my estimation, ought to be a couple of cleanup modifications. The statute currently contains an anomalous phrase, "an article or substance," not necessary because these days we refer to that phrase instead as "goods or services"; and I think in fact, that section 14(c) needs to be rewritten so as to clearly put various phrases in the right places with the right modifiers nearby. And I have made some specific suggestions along those lines.

I will now gladly yield the floor.

Senator HATCH. I'm very grateful to you. Your statement is very important here and will be made a part of the record in its entirety.

We very much appreciate your testimony today. All those who wish to make suggestions on S. 1990, please feel free to work with our staff after the hearing. We'd appreciate your suggestions.

Mr. GERMAIN. Thank you.

Senator HATCH. We think this is a very good bill. It certainly is bipartisan, and, I think, nonideological. It will resolve and correct some real problems that exist in this area.

I would like to submit two questions to you in the interest of time and have you answer those for me in writing. I would sincerely appreciate those answers.

Mr. GERMAIN. Certainly.

[The prepared statement of Professor Germain and responses to written questions of Senator Hatch, subsequently received for the record, follow:]

PREPARED STATEMENT OF PROF. KENNETH B. GERMAIN

I thank you for affording me the opportunity to present my views on this important piece of prospective legislation. The substance of these views is contained in the appendices to this introductory memorandum:

Appendix A:	Summary and Critique of the 1982 *Anti-Monopoly* Decision
Appendix B:	General Remarks on the Doctrine of Genericization
Appendix C:	Specific Suggestions Regarding S. 1990

Appendix A: Summary and Critique of the 1982 *Anti-Monopoly* Decision*

In one of the year's (decades?) most significant cases, the District Court's upholding[1] of the validity of the famous MONOPOLY trademark for a real estate trading board game was again reversed by the Court of Appeals for the Ninth Circuit--this time being final from the looks of the latter Court's opinion.[2] After touching base with a few procedural matters[3] the Court briefly reiterated the controlling substantive rules of genericism that appeared in its first opinion in the MONOPOLY saga[4] and fairly quickly explained why it agreed with the District Court's conclusion that MONOPOLY was not generic at the time of its adoption by Parker Brothers, the declaratory judgment defendant's predecessor in interest.[5] Then the Court reached the crux of the case: whether MONOPOLY had become genericized after its inception and thus had lost its validity as a trademark for defendant's game. It was this matter, of course, that proved fatal to MONOPOLY.

The introduction to the genericization discussion was acceptable enough: The Court acknowledged the "dual-function" aspect of many trademarks, that is, that a mark simultaneously can serve to identify both a product and a producer[6]; it noted that it is not the efforts made by a trademark owner to forestall genericization that count, but rather their effect,[7] and that the choice of a suggestive word as a mark is an invitation to genericization[8]; it also noted, without using the catch-word, that "de facto" source recognition does not carry the day.[9]

The main part of the genericization discussion was devoted to analyses of the various consumer surveys that appeared in the case's record. It is this part which is subject to doubt concerning propriety and sensibility. Actually, the Court's remarks on the "brand name" survey (or so-called "Teflon survey"[10]) are mildly persuasive. This survey asked people whether MONOPOLY was a "brand name" or a "common name" by reference to this example: "By brand name, I mean a name like Chevrolet, which is made by one company; by common name, I mean 'automobile,' which is made by a number of different companies."[11] As the Court noted, respondents had virtually no choice, the MONOPOLY game being made by only one company. (It could be said, ironically, that the public recognized MONOPOLY as a product made by one company only because it also regarded MONOPOLY as an indicator of source.)

A survey patterned after the one done in the famous "Thermos" case[12] was run by the plaintiff. People who initially indicated that they were familiar with "'business board games of the kind in which players buy, sell mortgage and trade city streets, utilities and railroads, build houses, collect rents and win by bankrupting all other players'" were then asked how they would call for such games in stores; about 80% said they would request "Monopoly."[13] Brushing criticisms aside without sufficient explanation, the Ninth Circuit Court found this evidence very persuasive of MONOPOLY's generic status. One is tempted to ask whether the conclusion here was not as preordained as with the brand-name survey, for here the above-quoted description of the game was so comprehensive as to exclude any response other than "Monopoly."

The third survey to be discussed is the most important one in terms of the impact of this case. This one, unlike the two previously discussed, was not based upon any antecedent survey already subjected to critical scrutiny. Instead, this one, the "motivation survey," was commissioned by the plaintiff in this case after having been conjured up by the Ninth Circuit Court in the earlier appeal.[14] It asked why ("motivation") people purchased MONOPOLY games--because they liked products made by Parker Brothers, or because they wanted a MONOPOLY game, regardless of its source. This was supposed to focus attention upon whether the consuming public was "source particular"--which would have led to a finding of continued trademark validity--or not. The results--not surprisingly again--showed overwhelmingly that people wanted MONOPOLY because of the game's attributes rather than its "source".[15] The Appellate Court was quick to dub "clearly erroneous" the lower court's rejection of the survey because it probed motivation of instead of meaning to the consuming public; the Appellate Court re-emphasized that it was consumer use rather than understanding that mattered.

In this Commentator's view the Ninth Circuit Court was way off base: if, as it expressly recognized, trademarks can function dually, why should such sole reliance be placed upon consumers' motivation and/or use in the face of substantial, and apparently successful, efforts by the trademark owner to educate the public into understanding that its mark did indeed serve as an indication of source? Furthermore, it is generally accepted that a term validly functions as a "mark", i.e., an indicator of source, when consumers view it as linking the product to a particular manufacturer, distributor, or seller, whether or not they know the name of such "source."[16]

The last of the surveys to be analyzed by the Ninth Circuit Court was the so-called "Tide" survey. This was conducted at the instigation of the defendant and intended as a reductio ad absurdum regarding the motivation survey. It showed that about 60% of the surveyed group, when asked the "motivational" type questions about TIDE detergent, a famous brand bearing a mark generally thought to very strong, gave "product" rather than "producer" responses. The Court gave very short shrift to this challenge, unfairly refusing to take it seriously.[17]

In sum, the Ninth Circuit Court of Appeals refused to view a special type of case--one involving a mark for a "unique" product, i.e., one not thus far faced with competition from a very similar product--as sui generis with respect to genericization. Thus, it insisted on applying the usual "product or producer" test to a circustance which in the modern context requires a different analysis. This approach is oddly reminiscent of the "monopolophobia" of yesteryear. Also of (critical) note, the Court coined a new approach to genericization--motivation of consumers. As indicated above, this is a very ill-advised, authority-bare approach, and should not be adhered to by courts in other circuits.[18]

Appendix B: General Remarks on the Doctrine of Genericization

The overall doctrine of trademark genericness--including one of its two constituent parts, "genericization"--is concerned with establishing and maintaining an appropriate balance between the two concepts--"unfair" and "competition"--that blend to form the somewhat self-contradictory body of jurisprudence known as "unfair competition." The negative "unfair" concept refers both to consumer interests (e.g., misrepresentation of source, leading to mistaken purchases) and manufacturer/seller interests (e.g., misappropriation of acquired trade advantages). The positive "competition" concept, consistent with the anti-trust laws, refers to the maintenance of open markets in trademark-bearing goods. Sometimes, of course, the two constituent concepts conflict with each other, and difficult decisions must be made. The challenge is to make these decisions in the most appropriate fashion--one that minimizes the adverse impact on the non-chosen alternative.

Why is Legislation Needed in the Wake of "Anti-Monopoly II"?[19]

The Ninth Circuit's opinion--not merely its decision--in Anti-Monopoly II--has the potential to cause major disruption of an important aspect of United States trademark law. The thrusts of the opinion, the consumer usage and consumer motivation approaches, truly came from nowhere precedentially, and are anomalies with respect to theretofore settled doctrine. Coming as they do from a prestigious court exercising appellate jurisdiction over a large area including major commercial interests, these thrusts are likely to be particularly influential, especially at the very significant district court level.

Secondly, the United States Supreme Court has already passed up its first--and best, perhaps--opportunity to deal with the furor caused by Anti-Monopoly II by denying the petition for certiorari, despite numerous urgent amicus requests. As indicated elsewhere by the author of these comments, this behavior by the Supreme Court is quite typical of its modern historic refusal to grapple with significant issues of "unfair competition."[20]

Thirdly, cancellation of the federal registration of a trademark is likely to have disastrous consequences for the affected trademark owner. Not only is the loss of federal protection a loss of major proportions, but the cancellation of federal rights is likely to be followed by the loss of state law based protections either directly, due to principles of res judicata and/or collateral estoppel, or indirectly, due to application of state decisional law following in the footsteps of the federal determination.

Finally, although some pause may attend any attempt to modify a major statute in a relatively minor way--the pejorative term being "tinkering"--in the opinion of this commentator, such "pause" should be overidden where, as here, the need is manifest.

What Should Be Done?

Consistent with the plaintive pleas of others,[21] it is submitted that the two-pronged approach of Anti-Monopoly II should be ousted from the trademark corpus juris. The "consumer usage" test, substituted by the Ninth Circuit in lieu of the prevailing "consumer understanding" test, ignores the pivotal "duality" of trademarks, i.e., that they can serve both as indicators of source (trademarks) and as indicators of goods themselves (generic designations) concurrently. The "consumer motivation" test conjured up by the Ninth Circuit flies in the face of years and volumes of authority to the effect that indicators of single source, albeit anonymous in nature, do serve valuable, legitimate, and protectible functions.[22]

What is recommended is the reinstatement of the pre-Anti-Monopoly II state of affairs with, perhaps, a few clarifications. Of greatest importance is the return to the test of whether an alleged trademark serves "primarily" to indicate the producer (source) of goods rather than the product (goods) themselves. In other words, trademarks should answer the question "Who is the producer/seller of this product?" rather than "What is this product?". A matter that might merit attention is the definition of "primary": Does it mean that a particular view is subscribed to by "most," "a majority", or only "a significant minority" of relevant consumers. (The central alternative is recommended.)

Return to the pre-Anti-Monopoly II approach would also provide a welcome opportunity to temper reliance upon such "objective" criteria as consumer surveys. While these instruments can be valuable adjuncts to the decision-making process regarding genericization, they also can be given too dominant a position. This, of course, runs the risk of over-objectifying a matter of classic equitable cognizance while concommitantly relying upon information derived from technical, sometimes controversial, methodologies and interpretations.[23] It would be preferable to expand the genericization issue to include such matters as the availability of alternative generic designations, the investment of the trademark owner, and the efforts of such person to avoid genericization of the relevant trademark.

Finally, a matter that may warrant attention is the burden of proof ("persuasion") required of one who challenges a registered trademark on the basis of genericization. Anti-Monopoly II, relying upon a minority view that a "preponderance" of the evidence was sufficient, ousted the district judge's choice of the "convincing" evidence standard. The majority view, however, is more in keeping with a modern sense of the balance between "vested interests" and "new entrants" into the relevant market. This matter might be addressed legislatively, either by an across-the-board requirement of "convincing" evidence, or by the application of such a standard to trademarks the registrations of which had passed the "noncancellability"[24] or "incontestability"[25] points prior to the filing of the action challenging validity on the basis of genericization.

Appendix C: Specific Suggestions Regarding S. 1990

Section 2: While the basic thrust of this section is appropriate, a few word additions/changes are recommended:

(1) The words "or purchaser usage per se" should be inserted after the term "purchaser motivation" on page 2, line

4. This would clarify that both incorrect aspects of the *Anti-Monopoly II* case are being rejected.

(2) The phrase "an article or substance" in § 14($\overset{c}{a}$)(1), as proposed, should be replaced by "goods or services" to conform the language to that of the additions. [If this change is made in § 14, it should also be made in § 15(4), 15 *U.S.C.* § 1065(4).]

(3) The placement of the new material at the end of § 14(c) is not optimal. It would be better for § 14(c) to be split into subsections, such that § 14(c) would read as follows:

> (c) at any time if the registered mark--
>
> (1) becomes the common descriptive name of the goods or services, except that a registered mark shall not be deemed to be the common descriptive name of goods or services merely because such mark is also used as a proper name of or to identify a unique product or service. The primary significance . . . used; or
>
> (2) has been abandoned; or [etc.]

Section 3(a): The phrase "albeit anonymous" (page 2, line 19) seems misplaced; it probably should be moved so as to follow "source", as follows: ". . . indicate the source, albeit anonymous, of the goods."

Also, the phrase "albeit anonymous," regardless of its location, may not be as meaningful as such phrases as "even if anonymous", "anonymous or otherwise," or "known or anonymous." The existing phrase, however, has the benefit of current recognition.

Section 3(b): Same remarks as re Section 3(a).

Section 3(c): Same remarks as noted under "(1)" with reference to Section 2.

NOTES

* Adapted from Germain and Weinberg, The Thirty-Sixth Year of Administration of the Lanham Trademark Act of 1946, 73 T.M.R. 577 (1983), with the permission of the copyright owner, the United States Trademark Association.

1 Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 515 F. Supp. 448, 212 U.S.P.Q. 748 (N.D. Cal. 1981), discussed in Germain, The Thirty-Fifth Year of Administration of the Lanham Trademark Act of 1946, 72 T.M.R. 559, 681-82 (1982), on remand from 611 F.2d 296, 204 U.S.P.Q. 978 (9th Cir. 1979), rev'g 195 U.S.P.Q. 634 (N.D. Cal. 1977).

2 Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316, 216 U.S.P.Q. 588 (9th Cir. 1982), cert. denied, 103 S. Ct. 1234 (1983), motion for reconsideration of denial of cert. petition denied sub nom. CPG Products Corp. v. Anti-Monopoly, Inc., 103 S. Ct. 1805 (1983).

3 In particular, the court paused to correct the burden of proof standard (relative to showings of genericness) from "convincing evidence," as indicated by the trial judge, to "preponderance of the evidence." Id. at 1319, 216 U.S.P.Q. at 590. (This Commentator is tempted to question whether, for an already established mark that was not generic ab initio, the former standard might not make better sense.)

4 See id. at 1319, 216 U.S.P.Q. at 590-91, where, inter alia, the following passage appears:

> Even if only one producer--Parker Brothers--has ever made the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is

invalid unless source indication is its primary significance.

5 See id. at 1319-21, 216 U.S.P.Q. at 591-92, where the history of the game and mark are summarized. See also id. at 1321, 216 U.S.P.Q. at 592, where the following conclusion is reached:

> When a small number of people use a particular thing and call it by a particular name, one which is not a common descriptive term for the thing, a person may appropriate the name and register it as a trademark. The purpose of the doctrine that generic terms cannot be made trademarks is to prevent the appropriation of a term that is already in wide use among those who are potential purchasers of the thing that the term describes. If those who might purchase the thing know it by a particular name, then to forbid the use of that name by potential producers will erect unwarranted barriers to competition.

6 "Yet it is nearly always the case . . . that a trademark will identify both the product and its producer. . . . Indeed, its value lies in its identification of the product with its producer." Id. at 1321, 216 U.S.P.Q. at 592-93.

7
> [Defendant] and its predecessor have spent time, energy and money in promoting and policing use of the term "MONOPOLY." That fact, however, is not of itself sufficient to create legally protectable rights. . . .
>
> The real question is what did [defendant] get for [its] money and efforts?

Id. at 1322-23, 216 U.S.P.Q. at 593-94.

> 8 A monopolist has a monopoly. By choosing the word as a trademark, [defendant] subjected itself to a considerable risk that the word would become so identified with the game as to be "generic."

Id. at 1322, 216 U.S.P.Q. at 593.

> 9 It is not, of itself, enough that over 55% of the public has come to associate the product, and as a consequence the name by which the product is generally known, with [defendant].

Id. at 1322-23, 216 U.S.P.Q. at 594, citing Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118, 39 U.S.P.Q. 296, 299 (1938).

10 See E.I. DuPont de Nemours & Co. v. Yoshida International, Inc., 393 F. Supp. 502, 185 U.S.P.Q. 597 (E.D.N.Y. 1975).

11 Id. at 1323, 216 U.S.P.Q. at 594, quoting from the defendant's survey.

12 See American Thermos Products Co. v. Aladdin Industries, Inc., 207 F. Supp. 9, 20-21 (D. Conn.), aff'd sub nom. King Seeley Thermos Co. v. Aladdin Industries, Inc., 321 F.2d 577, 138 U.S.P.Q. 349 (2d Cir. 1962).

13 Id. at 1323, 216 U.S.P.Q. at 594, quoting from plaintiff's survey.

14 See id. at 1324, 216 U.S.P.Q. at 595, referring to "Anti-Monopoly I," supra fn. 1, 611 F.2d at 305-06, 204 U.S.P.Q. at 986.

15 The most direct dichotomy was between the 65% who chose

"'I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't much care who makes it.'" and the 32% who chose "'I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products.'" Id.

16 See 1 J. Thomas McCarthy, Trademarks and Unfair Competition § 3:3B (1973).

17 The court's entire response is as follows:

> There were various respects in which this survey was different from the motivation survey used by [plaintiff], but we shall not suddenly attach great importance to technical considerations. We suspect that these results tend to show that the general public regards "Tide" as the name of a particular detergent, having particular qualities, rather than as one producer's brand name for the same detergent which is available from a variety of sources. We do not know whether the general public thinks this, or if it does, is correct in thinking this, or whether Procter and Gamble intend them to think it. If the general public does think this, and if the test formulated in Anti-Monopoly I could be mechanically extended to the very different subject of detergents, then [TIDE'S producer] might have cause for alarm. The issue is not before us today. The motivation survey conduct by [plaintiff] was in accordance with the views we expressed in Anti-Monopoly I. The results in the Tide Survey are of no relevance to this case.

Id. at 1326, 216 U.S.P.Q. at 596.

18 For a thorough and insightful critique of the Monopoly

decision see Greenbaum, Ginsburg & Weinberg, A Proposal for Evaluating Genericism After "Anti-Monopoly," 73 T.M.R. 101 (1983).

19 Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., *supra* fn. 2.

20 See Germain, The Supreme Court's Opinion in the *Inwood* Case: Declination of Duty, 70 *Ky. L. J.* 731, 731-33 (1981-82).

21 See generally Greenbaum, Ginsburg & Weinberg, A Proposal For Evaluating Genericism After "Anti-Monopoly," *supra* fn. 18; Note, Genericide: Cancellation of a Registered Trademark, 51 *Ford. L. Rev.* 666 (1983).

22 See generally the veiled criticism of *Anti-Monopoly II* by Judge Nies (of the former Court of Customs and Patent Appeals) in In re DC Comics, 689 F.2d 1042, 1053-54, 215 U.S.P.Q. 394, 403-05 (C.C.P.A. 1982).

23 On the disparateness of surveying techniques, etc., see the "Survey Issue" of *The Trademark Reporter*, 73 *T.M.R.* 349 (1983).

24 Under Lanham Act § 14(a), 15 *U.S.C.* § 1064(a), a trademark registered on the Principal Register automatically becomes immune to some grounds of cancellation upon reaching the fifth anniversary of its registration. However, *id*. § 14(c), 15 *U.S.C.* § 1064(c), allows for cancellation on the basis of (inter alia) genericization "at any time." No evidentiary standard is mentioned.

25 Under Lanham Act § 15, 15 *U.S.C.* § 1065, a registration becomes "incontestable" upon reaching its fifth anniversary *and* the filing of an appropriate affidavit. The presumption of validity of the registration consequently escalates from

"prima facie" (see id. § 7(b), 15 U.S.C. § 1057(b), and id. § 33(a), 15 U.S.C. § 1115(a)) to "conclusive" (see id. § 33(b), 15 U.S.C. § 1115(b)). However, § 33(b)(2), 15 U.S.C. § 1115(b)(2), expressly provides a "defense or defect" to an otherwise "incontestable" registration where the "mark has been abandoned," which may include genericization as defined in id. § 45, 15 U.S.C. 1127, and § 15 itself excludes "incontestability" for "common descriptive names" by inclusion of a cross-reference to § 14(c). No evidentiary standard, however, is provided.

RESPONSES OF PROFESSOR GERMAIN TO WRITTEN QUESTIONS OF SENATOR HATCH

Question 1. Abandonment of a trademark and genericness are generally two separate legal tests to determine if a trademark should be cancelled. This bill amends the abandonment section of the Lanham Act as well as the genericness section. In what ways might the purchaser motivation test upset abandonment law if this section is not included in the bill?

Answer 1. "Abandonment," as defined in Section 45 (particularly subparagraph (b), thereof), includes the loss of trademark (i.e., source-indicating) function due to inappropriate management of a trademark by its owner. Application of the "purchaser motivation" test (as per Anti-Monopoly II) would cause the same problems regarding "abandonment" as it creates regarding genericization under Section 14(c). This is because Section 45(b) really provides for "abandonment resulting from "genericization," and thus really is dependent upon the test for determining "genericization."

Question 2. This bill also specifically prevents a product from losing its trademark protections "merely because the mark is also used as a proper name of or to identify a unique article or substance." How can uniqueness of a product or use of a proper name as a trademark affect the subject of genericness? Does this bill appropriately treat these issues?

Answer 2. "Uniqueness" of a product (or service) complicates the issue of genericization because it is easier for consumers/ users to view the trademark applied to "unique" goods as the "name" of the type of goods. It also, of course, is easier for courts to draw the conclusion that a trademark for "unique" goods constitutes a "genus" rather than the "species" of those goods; the nonexistence of identical or virtually identical competing products makes possible the (spurious) argument that the "unique" goods make up their own "genus."

The phrase "a proper name," in my opinion, is not ideal because it gives the very impression (source-indicating designation, probably headed by a capital letter) that is sought to be avoided. The phrase should be deleted in favor of "the name," with this phrase being understood (and explained in the legislative history) as referring to a description of the type or kind of goods involved. Use of a "trademark" *solely* as "a proper name"/"the name" of goods is tantamount to genericization; however, use of a "trademark" *both* in that way and as an indicator of source (so-called "dual function") is sufficient for maintenance of trademark rights.

As qualified above and with the change of "article or substance" to "goods or services" as suggested in my written materials, S. 1990 does treat these matters in appropriate fashion.

Senator HATCH. With that we will recess these hearings until further notice.

[Whereupon, at 10 a.m., the subcommittee was adjourned pending call of the Chair.]

APPENDIX

ADDITIONAL SUBMISSIONS FOR THE RECORD

[Staff Report]

PROPOSED LEGISLATION TO ADDRESS ANTI-MONOPOLY DECISION WILL NOT AFFECT THE GENERIC DRUG INDUSTRY

The proposed amendments to the Lanham Trademark Act reflected in S. 1440 and similar legislation will not affect the dispute between prime brand pharmaceutical manufacturers and generic drug manufacturers.

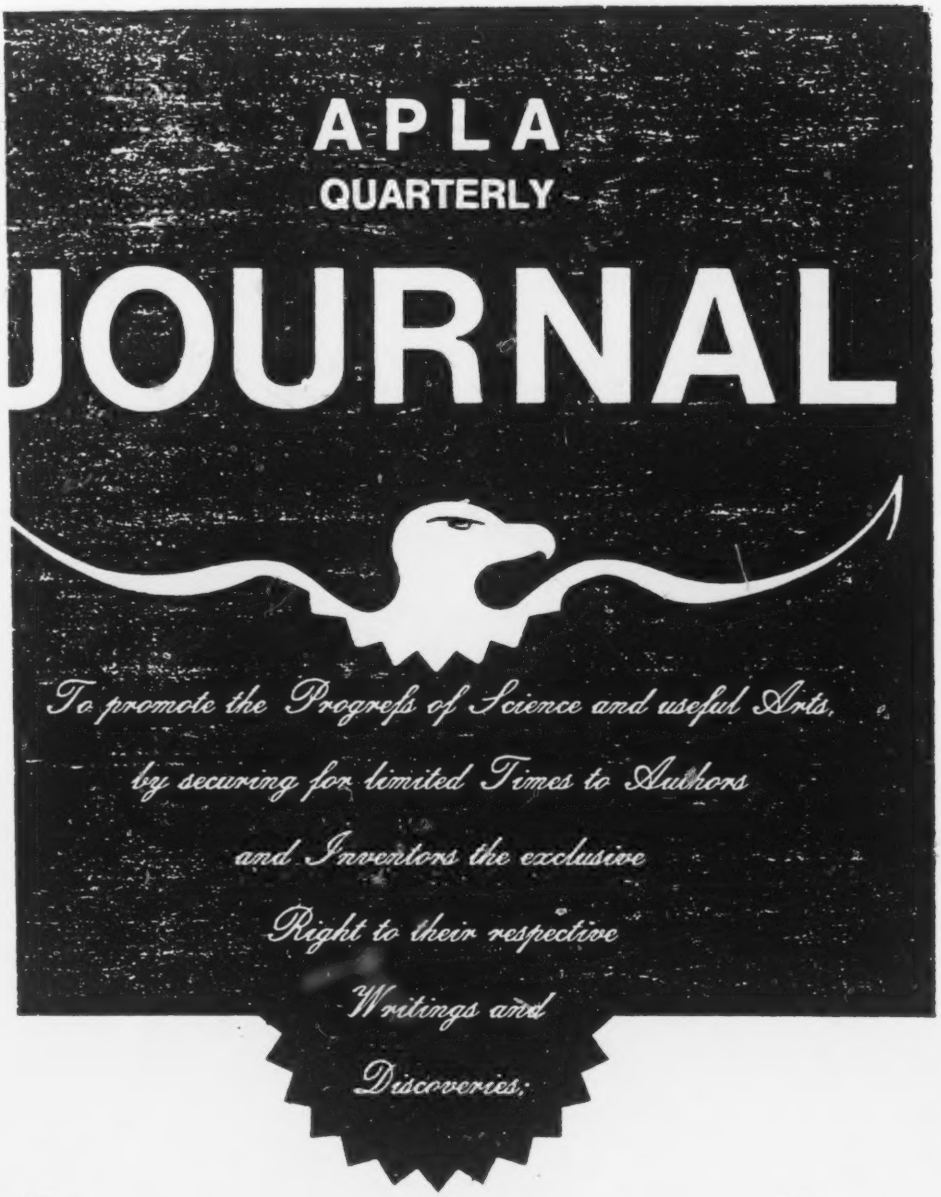
In the ordinary course of product development and marketing in the pharmaceutical industry, a pharmaceutical manufacturer develops a product, patents it, markets it under a coined mark as a brand of a chemical formulation for the drug (as, for example, "DARVON" for a particular brand of pain killer), and registers the trademark in the U.S. Patent and Trademark Office. The product is generally made available in different strengths or dosages and is identified by capsules in different colors, sizes, or shapes. During the life of the patent, although precluded from manufacturing the particular product covered by the patent, both prime brand and generic drug manufacturers can produce and sell other chemically formulated pain killers under marks of their own. They cannot, however, use "DARVON" or a similar mark to identify their products because of the likelihood of purchaser confusion as to the origin of the products or mistake as to the product desired and ultimately prescribed and purchased.

After the expiration of the patent, generic drug manufacturers are able to produce the same chemical formulation for the pain killer covered by the patent. But they cannot use the "DARVON" mark because that mark uniquely identifies the product of the original manufacturer; principles of trademark law restrict any use of the mark by others which can lead to confusion as to the source of the product.

The generic drug manufacturers have not claimed (at least not successfully claimed) that, after the expiration of the patent, the mark as well as the product enters the public domain and is available for use by any manufacturer of the drug. Thus the original mark remains protected from use by firms manufacturing generic drugs. However, the generic drug manufacturers have taken the position that, to compete effectively with the original manufacturer after the expiration of the patent, they have a right to produce and sell the product in the same size, shape, and color of the capsules or tablets utilized by the original manufacturer, especially if they employ identifying symbols other than "DARVON" to identify the source of their products. This position is based on the contention that the size, shape, and color of the capsules perform a merely utilitarian or functional purpose in that they signify different dossages and strengths and that, as such, their use is necessary for effective competition. This competition brings beneficial results in the form of lower prices accruing to the public, so the argument goes.

The prime drug manufacturers, on the other hand, claim that the size, shape, and color of the capsules are themselves trademarks that have acquired a secondary meaning as identifying their products. They argue that as trademarks, capsule sizes, shapes, and colors survive the expiration of the patent on the drug and therefore that their use by generic drug manufacturers can only result in confusion of the purchasing public. The issue in this ongoing controversy is thus not whether a word mark -- such as "DARVON" -- has become generic or the common descriptive name of the product in connection with which the mark has been used; rather, the dispute is over whether the size, shape, and color of the capsules in which the product has been sold are essentially utilitarian or functional in nature. Because these are essentially different problems, involving different considerations and tests, the proposed amendments to the Lanham Trademark Act aimed at reversing the Ninth Circuit's Anti-Monopoly decision will not affect the ultimate resolution of the central trademark controversy within the pharmaceutical industry.

REFERENCES: Ives Laboratories, Inc. v. Darby Drug Co., Inc., 601 F.2d 631, 202 U.S.P.Q. 548 (2d Cir. 1979); SK&F Co. v. Premo Pharmaceutical Laboratories, Inc., 481 F.Supp. 1184, 206 U.S.P.Q. 233 (D.N.J. 1979); Ives Laboratories, Inc. v. Darby Drug Co., Inc., 209 U.S.P.Q. 449 (2d Cir. 1981); Inwood Laboratories, Inc. v. Ives Laboratories, Inc.; Darby Drug Co. v. Ives Laboratories, Inc., 102 S.Ct. 2182, 214 U.S.P.Q. 1 (Sup. Ct. 1982); Ciba-Geigy Corporation v. Bolar Pharmaceutical Co., Inc., 215 U.S.P.Q. 769 (D.N.J. 1982).



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Some Aspects in Trademark Practice by:

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EDITORIAL

Trademark rights are protected under common law. However trademark registration can result in material advantages to the trademark owner. For example federal registration creates certain presumptions of ownership, validity and exclusive right to use the mark on the goods recited in the registration.

The first federal constitutional trademark registration act was passed in 1881. The present registration act was passed on July 5, 1946, effective July 5, 1947, and is popularly known as the Lanham Act (15 USC Sections 1051 et seq.). There have been major trouble spots in trademark practice. Thus while the Lanham Act established statutory definitions for terms, the Act is not without ambiguity. The Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) characterized a clause of the Lanham Act as "with typical Lanham Act ineptitude". *Formica Corp.* v. *Lefkowitz* 200 USPQ 641, 643 (1979). Moreover court interpretation has created controversy. Other problem areas have included secondary meaning, concurrent use and state statutes. This issue treats these problem areas.

Our guest editor, Lester L. Hewitt of Houston, has assembled an able group of contributors - Paul E. Krieger of Houston, Roger W. Herrell and Donald R. Piper, Jr. of Philadelphia, Gary M. Ropski and Pamela J. Johnson of Chicago and Veronica Colby Devitt of San Francisco. It is hoped that this issue will add to your understanding of trademark law.

Paul J. Luckern
Administrative Law Judge
Assistant Managing Editor

SOME ASPECTS IN TRADEMARK PRACTICE

AUTHORS AND CONTENTS OF SECTIONS

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AND
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ANTI-MONOPOLY—AN AUTOPSY FOR TRADEMARKS

by LESTER L. HEWITT and PAUL E. KRIEGER*

I. Introduction:

The latest in the chain of "*Anti-Monopoly*" decisions[1] has attained notoriety for putting the final nail in the coffin lid of the "Monopoly" trademark. Many laymen and members of the bar alike reacted to the decision with disbelief, basically on the intuition that if "Monopoly" can't make it as a trademark, what can? This case demonstrates the need for a clear statement from Congress[2] or the United States Supreme Court[3] on the standards of genericism. If no such clarification is forthcoming, *Anti-Monopoly* should not be followed either in its rationale or use of Motivation surveys as evidence of "primary significance."

After a discussion of the facts and the four separate published opinions herein referred to, in chronological order, as Trial One, Appeal One, Trial Two and Appeal Two, the authors will examine the genesis of trademark definition and function, the propriety of Motivation surveys to determine genericism, the single-source doctrine and other cases involving games and toys. This background will demonstrate why the Ninth Circuit's opinion represents an illogical extension of certain fundamental trademark doctrines into a new test for genericism which may place many famous and valuable marks in jeopardy.[4]

II. History of the Game and Marks[5]

The game known as "Monopoly" was developed in a general sense as early as 1904. Equipment was handmade and copied from earlier versions of

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[1] Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316, 216 U.S.P.Q. 588 (9th Cir. 1982), *cert. denied* CPG Products Corp. v. Anti-Monopoly, Inc. ____ U.S. ____, 103 S. Ct. 1234, *reh'g denied* ____ U.S. ____, 1035 S. Ct. 1805 (1983).

[2] At least one bill has already been introduced by Senator Orrin Hatch (R-Utah) that would expressly repudiate the "purchaser motivation" test. S.1440, 98th Cong., 1st Sess., 129 Cong. Rec. 8133, reprinted in 26 Pat. Trademark & Copyright J. (BNA) 165 (1983).

[3] The Supreme Court missed a timely opportunity to clarify the law on genericism by denying certiorari in *Anti-Monopoly.*

[4] The effect of the Ninth Circuit's adoption of the so-called "Motivation" survey and General Mill's imaginative use of a similar demonstrative survey using "Tide" has already raised questions about the viability of Proctor & Gamble Company's "Tide" trademark, which prompted an *amicus* brief in support of the petition for certiorari in *Anti-Monopoly. See* ____ U.S. ____, 103 S. Ct. 1234 (1983)(Petition to file amicus brief granted).

[5] These facts were developed from the four published opinions generated in this case: Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 195 U.S.P.Q. 634 (N.D.Cal. 1977) [hereinafter cited as Trial One], *rev'd and remanded,* 611 F.2d 296, 204 U.S.P.Q. 978 (9th Cir. 1979) [hereinafter cited as Appeal One], *on remand,* 515 F. Supp. 448, 212 U.S.P.Q. 748 (N.D.Cal. 1981) [Trial Two], *rev'd and remanded,* 684 F.2d 1316, 216 U.S.P.Q. 588 (9th Cir. 1982) [Appeal Two], *cert. denied* CPG Products Corp. v. Anti-Monopoly, Inc. ____ U.S. ____, 103 S. Ct. 1234, *reh'g denied* ____ U.S. ____, 103 S. Ct. 1805 (1983).

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the game. The game was known as "Monopoly" by all who played it, although in most cases the name did not appear on the board itself. Over the next few decades, the game was played on a few college campuses in the East. Many of the persons who played the game were related to each other by blood or marriage.

When the "Monopoly" game was brought to Atlantic City, New Jersey in about 1931, the street names used in the game were changed to Atlantic City street names. There the game was taught to Charles Darrow who sold the game to Parker Brothers in 1935 and claimed it to be his own invention. In October 1933, Darrow obtained a copyright on some parts of the game (probably the rules) and, in March 1935, Parker Brothers obtained all of Darrow's rights to the game and equipment. In August 1935, Charles Darrow obtained a patent. Parker Brothers registered "Monopoly" as a trademark in 1935 and 1936.

From 1935-1952, Parker Brothers relied primarily on its patent to protect "Monopoly." When the patent expired, Parker Brothers began to concentrate on preserving the value of the "Monopoly" trademark. Parker Brothers created the expression "real estate trading game equipment" and used it on game cards and in advertisements.

Since 1935, Parker Brothers and its predecessors have sold 80 million sets of "Monopoly" in the United States for $125 million. In the past ten years, it has sold 24 million sets. Parker Brothers has expended $4 million in publicizing the game since its first use and $2.1 million in the last ten years. Throughout this period, no one has used the "Monopoly" mark on board games except Parker Brothers and its several licensees.

The declaratory judgment plaintiff, Anti-Monopoly, Inc., first marketed its game, which is different from "Monopoly," as "Bust the Trust, The Anti-Monopoly Game," and later changed the name to "Anti-Monopoly." The U. S. Patent and Trademark Office refused to register "Anti-Monopoly" in view of the registration for "Monopoly." In response to Parker Brother's warning that it viewed "Anti-Monopoly" as an infringement, Anti-Monopoly filed suit in the U. S. District Court for the Northern District of California for a declaration of invalidity, noninfringement, unfair competition and violation of the antitrust laws.

III. The Four Decisions—Trial vs. Appeal

TRIAL ONE[6]—The primary basis of Anti-Monopoly's invalidity claim was that "Monopoly" had become "the common descriptive name of an article or substance" under 15 U.S.C. § 1065(4). The Trial Court found the "Monopoly" registration to be valid and infringed by plaintiff's use of

---

[6] Trial One, 195 U.S.P.Q. 588. Plaintiff also asserted that the mark had been obtained fraudulently under 15 U.S.C. § 1115(b)(1); failure to prove the allegation was conceded by Plaintiff in closing arguments. The trial court further found "Monopoly" to be infringed. There were also claims of unfair competition under California law. The court found that there was a strong likelihood of confusion which resulted in unfair competition and a dilution of the "Monopoly" trademark under California law. The court found no abuse of the "Monopoly" trademark and enjoined the plaintiff from using "Anti-Monopoly."

"Anti-Monopoly." The court explicitly held that "Monopoly" was not the generic or common descriptive name of an article or substance when registered, nor had "Monopoly" become generic since it did not refer to all real estate trading board games.

In holding that there was a likelihood of confusion between "Anti-Monopoly" and "Monopoly," the court found that "Monopoly" was a strong mark. The court was concerned by the similarity between the two names and gave weight to the refusal of the Patent and Trademark Office to register "Anti-Monopoly." Although there was no intent by the plaintiff to "specifically infringe," the court found an intent to increase sales by use of the popular "Monopoly" name. There was also some evidence of actual confusion of retail store employees. The court accepted as corroborating evidence defendant's survey which showed a minimum of 15% confusion as to source.

APPEAL ONE[7]—The U. S. Court of Appeals for the Ninth Circuit reversed the case and remanded it for further consideration of whether the "Monopoly" mark was generic. In its opinion, the Ninth Circuit discussed patent protection and the rightful passing of an idea, system or product into the public domain upon expiration of patent. The court stated that trademarks are not properly used as a substitute for an expired patent to further or perpetuate product monopolies. The court stated that: "all of [the] legitimate trademark purposes derive ultimately from the mark's representation of a single fact: the product's source. It is the source-denoting function which trademark laws protect, and nothing more."[8] The court further stated that a trademark is misused if it serves to limit competition in the manufacture and sale of a product, which is the special province of the limited monopolies sanctioned by the patent laws.

Discussing the genericness doctrine, the court centered its focus on *Kellogg Co. v. National Biscuit Co.*[9] and found that the considerations for genericness had undergone little change since the *Kellogg* case. Quoting *Kellogg*, the court held that the "Monopoly" mark is valid only if "the primary significance of the term in the minds of the consuming public is not the product but the producer."[10] The court held that even if only one producer—Parker Brothers—had ever made the "Monopoly" game, so that the public necessarily associated the product with a particular producer, the trademark is invalid unless the source identification is its primary significance.

The court identified certain characteristi[illegible]s those particular to source such as price, style, durability, consistency of quality, goodwill engendered by catchy commercial jingles, or simple liking of the sound of a trademark. The court defined a genus as a product category including essentially interchangeable goods made by unique producers, with the distinguishing characteristics of the goods being primarily source-particular, e.g., products, quality and advertising jingles. The court stated that "[w]hen, in the consumers minds, the characteristics which distinguish a particular product are no longer primarily source-particular, that product becomes its own genus, and its name becomes a generic name."[11]

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[7] Appeal One, 611 F.2d 296, 204 U.S.P.Q. 978.

[8] *Id.* at 301, 204 U.S.P.Q. at 982.

[9] 305 U.S. 111, 59 S. Ct. 109, 39 U.S.P.Q. 296 (1938).

[10] Appeal One, 611 F.2d at 302, 204 U.S.P.Q. at 983, *quoting* 305 U.S. at 118.

The Ninth Circuit concluded that the district court had erred in holding the test of genericness as being whether or not "Monopoly" denoted: (1) all board games involving real estate; or (2) a particular and very popular board game produced by a single company. The court stated that "Monopoly" is its own genus if consumers think of "Monopoly" as a unique game and differentiate it from all other real estate trading games by source-irrelevant characteristics. The crucial determination, in the Ninth Circuit's view, was whether or not consumers used the term "Monopoly" primarily to denote the product or its producer.

The court then gave the following example which promoted the now controversial "Motivation" survey:

> It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading game because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: 'I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."
>
> . . . . The proper mode of analysis is to decide but one question: whether the primary significance of a term is to denote product, or source. In making this determination, the correct genus-species distinction, that is, the correct genericness finding, follows automatically.[12]

The Ninth Circuit reversed the district court's finding both as to validity and infringement and remanded the case for further consideration consistent with its analysis.

TRIAL TWO[13]—On remand, the trial court held two more days of trial, receiving the testimony of four witnesses and the introduction of two additional surveys, and again concluded that the "Monopoly" trademark was valid and infringed. The trial court found that "Monopoly" was not generic at the time of registration, nor had it become generic since registration. Reluctantly recognizing the test imposed by the Ninth Circuit, the court noted that such a test must be applied with some degree of care unless the Ninth Circuit intended to foreclose trademark protection for any single producer of a unique game.

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[11] Appeal One, 611 F.2d at 303, 204 U.S.P.Q. at 984.

[12] Appeal One, 611 F.2d at 305-306, 204 U.S.P.Q. at 986.

[13] Trial Two, 515 F. Supp. 448, 212 U.S.P.Q. 748.

Turning to the surveys, the court denounced Anti-Monopoly's so-called Motivation survey, which was supposedly based upon the specific guiding language of the Ninth Circuit. The court held that Anti-Monopoly had misconstrued the nature of the inquiry mandated by the Ninth Circuit in addition to conducting a survey with methodological flaws. The court held that the Ninth Circuit's "primary significance" test requires a determination of the "primary significance" of the mark "Monopoly" in the average consumer's mind and not, by this requirement, an explanation of the purchaser's motivation for purchasing the game.

The trial court also rejected another question in the survey that asked "why did you buy 'Monopoly'?" The trial court noted that it did not need to ignore the fact that most consumers purchase a given product, not out of goodwill or affection for the producer, but because they want the product. Only a shareholder of General Mills could reasonably be expected to purchase a Parker Brothers game for this reason. The court also stated that "primary significance" of a trademark corresponds more to the recognition of a mark as the brand name of a particular producer than it does to a reason for purchasing. The court concluded that consumers buy games because they wish to play them, which fact alone should not serve to invalidate an otherwise legitimate trademark. The court found that the makers of "Monopoly" should not be penalized because they have created a unique product which they have actively and diligently promoted.

The trial court further noted that one difficulty in this case arose from the public's dual usage of the trade name, denoting both product and source. The court held that the primary significance of "Monopoly" in the public's eye was to denote the Parker Brothers game. The court was clearly influenced by the defendant's so-called "Tide" survey which showed that Proctor & Gamble's famous mark "Tide" fared similarly to "Monopoly" in a Motivation survey. Citing conclusions from both defendant's and plaintiff's surveys, the court held that it could not determine from the facts that source attribution is not the "primary significance" of the mark and that unless the Ninth Circuit's standard was meant to foreclose the possibility of trademark protection for any producer of a unique game whose corporate name does not appear in the title, that such tests cannot be used to thwart defendant's trademark rights. The court again held the "Monopoly" registration valid and infringed by defendant's use of "Anti-Monopoly."

APPEAL TWO[14]—In reversing the opinion in Trial Two on both validity and infringement, the Ninth Circuit first affirmed the trial court's conclusion that the Monopoly mark was not generic at the time Parker Brothers registered it. However, the court disagreed with the trial court's conclusion on validity and held the mark to be generic and the registrations invalid. The court held that the word monopoly, while not used in its ordinary meaning, is an ordinary English word which describes the object of defendant's game. The court observed that Parker Brothers subjected itself to considerable risk that such a word could become generic.

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[14] Appeal Two, 684 F.2d 1316, 216 U.S.P.Q. 588.

Citing the "primary significance" test it adopted in Appeal One, the court held that even if one-third of the members of the public purchased the Monopoly game because they liked Parker Brothers' products, that was not enough to show that "Monopoly" was primarily source indicating. The court held that Parker Brothers and General Mills had successfully promoted "Monopoly" as the name of the game and that it had become generic.

The Ninth Circuit rejected the defendant's "Teflon" and "Tide" surveys and accepted the plaintiff's "Motivation" and "Thermos" surveys in which a purchaser used the word "Monopoly" when asking for the game by that name. Relying on the Motivation survey's finding that 65% of those who purchased "Monopoly" chose it as a product and not because of its source, the court held that the primary significance of "Monopoly" is product and not source.

IV. Understanding the Anti-Monopoly Decision Requires an Examination of Fundamentals of Trademarks

While the *Anti-Monopoly* decisions raise questions about the proper test for whether a mark is generic and what evidence should be considered as relevant, a basic understanding of what trademarks are all about is necessary before these questions can be properly addressed. There should be little doubt that if *Anti-Monopoly* is broadly applied against all trademarks, it will jeopardize the validity of many strong and famous marks because of the type of survey evidence on which the Ninth Circuit relied. It is submitted that the Ninth Circuit made fundamental errors in its interpretation of trademark law and relevant evidence.

Contrary to the Ninth Circuit's narrow view, the purpose of a trademark lies far beyond merely identifying a particular source or producer. The law should give credit to a trademark function which is broader than denoting source alone. Furthermore, courts should not penalize a manufacturer of a unique product because the product was once protected by a patent or copyright, although, under the doctrine of "*de facto* secondary meaning" discussed below, a number of courts have taken such a position. Finally, while no survey is perfect, the so-called Motivation survey is not an acceptable yardstick for genericism because it channels the trademark function into narrow, sterile categories and fails properly to measure whether a challenged mark is a common descriptive term or a trademark. Such a survey will serve as no more than an autopsy for many valuable marks. The test for genericism should recognize that it is public understanding of what a particular mark stands for that should govern questions of genericism and not a product versus source dichotomy based upon the motives for consumer buying.

A. What is a Trademark?

The Ninth Circuit's rationale for its Motivation survey approach was based on its definition of the purpose and function of a trademark in Appeal One. There the court held that all of the legitimate purposes of a trademark derive "ultimately from the mark's representation of a single fact: the product's source."[15] The court further stated that it was the source denoting function which the trademark laws protect "and nothing more."[16]

As an example, the court referred to a chess game called "EN PESSANT." So long as "EN PESSANT" was used to identify the well known 64 square game of chess, the court reasoned that "EN PESSANT" could function as a trademark since it identifies characteristics such as price, style, durability, consistency of quality, goodwill engendered by a catchy commercial jingle or simply a liking for the sound of the trademark.[17] However, the court continued, if "EN PESSANT" was used to identify an 81 square game, the consumer would be using "EN PESSANT" to describe a unique game. The court reasoned that it could not infer from a consumer requesting 81 square "EN PESSANT" any preference as to the production source of the desired game. The court concluded that "EN PESSANT" may not be a trademark, depending upon whether or not consumers would ask for "EN PESSANT" because of the product or the particular producer, once again admonishing that "[s]ource identification is the only word function which trademark law is designed to protect."[18] Using this premise as the basis of its definition for a trademark, the court then interpreted the "primary significance" test of the *Kellogg* case as discussed above.[19]

The District Court in Trial Two recited the guidelines of the Ninth Circuit, but was clearly reluctant to conclude that the Ninth Circuit intended literal application of these guidelines:

> One fact which this court need not ignore is that most consumers, indeed an overwhelming proportion thereof, purchase any given product not out of goodwill or affection for the producer, but because they want or favor the product. Only a shareholder of the General Mills Fun Group (Parker Brothers' parent) could reasonably be expected to purchase a Parker Brothers' game out of an affection or goodwill for the corporation.[20]

In its opinion in Appeal Two, the Ninth Circuit held to its earlier requirement that the sole function of a trademark is to identify the specific producer. Agreeing with the district court that it is nearly always the case that a trademark will identify both the product and the producer, the

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[15] Appeal One, 611 F.2d at 301, 204 U.S.P.Q. at 982. The court's only cited authority was Smith v. Chanel, Inc., 402 F.2d 562, 159 U.S.P.Q. 388 (9th Cir. 1968). The acceptance of this rationale by the Ninth Circuit may have begun a dangerous trend. *See* The Nestle Co. v. Chester's Market, Inc., —F. Supp.—, 219 U.S.P.Q. 298 (D. Conn. 1983).

[16] *Id.*

[17] *Id.* at 303, 204 U.S.P.Q. at 983.

[18] *Id.* at 304, 204 U.S.P.Q. at 984.

[19] *See* notes 9-11 *supra* and accompanying text.

[20] Trial Two, 515 F. Supp. at 454, 212 U.S.P.Q. at 752.

Ninth Circuit remained firm in its holding that "Monopoly" cannot be a valid trademark unless it is primarily source indicating.[21]

B. Modern Trademark Function

Historically, a trademark functioned solely to identify a particular producer. From the English Middle Ages up through the Nineteenth Century, products were manufactured and purchased locally. Production marks for aiding government or guild supervision were required by certain trades well into the Nineteenth Century. In these instances, trademarks were intended to identify a particular manufacturer.[22]

Present business practices require trademarks to function in a much broader sense than strictly identifying a particular manufacturer. Today, many products are manufactured and distributed worldwide. It is unrealistic to expect that a particular mark has the power to educate a buyer not only to the trademark itself but also to the name of a particular company which may be in a different region of the United States or even in a different hemisphere.

Many marks are even used to represent goods and services not even manufactured by the mark owner or franchisor. The most valuable property right of a national or international franchisor is its mark. Who knows the owner of McDonald's, Kentucky Fried Chicken, or Pizza Hut? Obviously, few beyond those particularly interested in those companies. Yet the consumer expects to obtain food or other products of a uniform kind and quality in all locations which use the same mark, the primary function of which is to identify the goods and services offered.

Today, substantial amounts of money are spent in polishing the image of marks in order to attract consumers. In this sense, the marks themselves are instrumental in distinguishing and selling the product or service. It is difficult if not impossible to create a mark which has enough impact to sell a product successfully and simultaneously educate the consumer to associate a certain producer with the mark, as well as to educate the consumer to call a product by a particular descriptive name. Teflon, Weed Eater, Frisbee, Tinker Toy are only several examples of such marks. If a mark and the product are both unique and a consumer buys the product in part because of the mark itself, should not that recognition inure to the benefit of the trademark and its owner? Clearly, the modern mark can have great recognition value and create tremendous goodwill to owners, even though the impact of the mark is not strictly source related and the consumer may never know the name of the producer. On the other hand, a mark should not take away from the public domain a descriptive name which will allow a competitor to enter the market in full and fair competition.

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[21] Appeal Two, 684 F.2d at 1321-22, 216 U.S.P.Q. at 592. The court cited Funk & Wagnall's New Standard Dictionary and Webster's New International Dictionary (2d ed.) concluding that the word "primary" means "first." *Id.* The court did not equate "first" with 51% but, since there were only two alternatives, source or product denoting, it seems that "primary" or "first" would necessarily mean over 50%.

[22] *See* Restatement of Torts § 715, comments a and b (1938); J.T. McCarthy, Trademarks and Unfair Competition § 3:3A (1973); J. Gilson, Trademark Protection and Practice § 1.03[1] (1983); Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927).

C. Trademark Function as Defined in the Lanham Act

Does the Lanham Act require that a trademark function primarily to identify a particular manufacturer? Clearly not! The definition of a trademark and service mark as set out in Section 45 of the Lanham Act recognizes that both trademarks and service marks function dually to identify the goods or services of one person and *distinguish* them from the goods and services of others.[23]

There are limitations on the ability of a term to function as a mark under the Lanham Act, but none of these limitations require that the *primary* significance of a mark be to identify a particular manufacturer. If a mark has become incontestable under Section 15, the mark is conclusively presumed to be valid unless the mark has become the common descriptive name or has been abandoned (among other defenses) as set out in Section 14 of the Lanham Act.[24] Under Section 45, abandonment includes acts of omission or commission which cause a mark to lose its significance "as *an* indication of origin."[25] The term "primary" is not found in the definition of abandonment.[26]

A later amendment to the Lanham Act further demonstrates that a trademark functions in scope beyond identification of a particular source. In 1962, Section 32 of the Lanham Act was amended to remove from the requirement of proof of infringement that the infringing use is likely to cause confusion, mistake or to deceive "purchasers as to the source of origin of such goods or services."[27] This amendment was a recognition that a mark functions beyond identification of a particular source or origin in that an infringer may be likely to cause confusion as to the nature of the goods themselves or on some other basis.[28] One court has suggested that the amendment was a recognition of the commercial reality that a consumer can make an informed choice between products by reliance upon the trademark whether or not he knows the particular identification of a manufacturer.[29] Thus, neither the Lanham Act nor its legislative history provides specific support for the Ninth Circuit's proposition in *Anti-Monopoly* that a mark be exclusively or even primarly source related since the Lanham Act supports a broader view of the function of viable marks.

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[23] 15 U.S.C. § 1127 (1976)(definitions of "trademark" and "service mark"). The broadening of trademark function by this definition was recognized and criticized by the Justice Department in 1944 hearings. *See Trademarks: Hearings on H.R. 82 Before a Subcomm. of the Comm. on Patents U.S. Senate*, 78th Cong., 2d Sess. 58 (1944).

[24] Section 15 is 15 U.S.C. § 1065 (1976); Section 14 is 15 U.S.C. § 1064 (1976). *See* note 83 *infra*.

[25] 15 U.S.C. § 1127 (1976)(emphasis added).

[26] Robert W. Byerly, who is perhaps known as the father of the incontestability section, discussed in Committee hearings how abandonment would cause a loss of an incontestable mark. Mr. Byerly stated that "if a mark has been used in such a way that it ceased to indicate origin and became simply and solely a name of a thing, wipe it off." In discussing "cellophane", he noted that "cellophane" was lost because it did not indicate origin "at all". However, Mr. Byerly also referred to the loss of a trademark in terms of its loss of "primary meaning." *Trademarks: Hearings on H.R. 82 Before the Comm. on Patents, House of Representatives*, 78th Cong., 1st Sess. 27-29 (1943) (statement of Robert W. Byerly).

[27] 15 U.S.C. § 1114 (1976). The formal statement of the legislative history provides no explanation for the change. *See* 1962 U.S. Code Cong. & Ad. News 896, 896-904.

D. Trademark Function as Defined by Case Law

Historically, the courts have emphasized the source denoting function of marks. There are United States Supreme Court decisions prior to 1900 which define a trademark as an indicator of origin and require that a mark function primarily to indicate origin. One of the earliest cases is *Delaware & Hudson Canal Co. v. Clark*[30] where Mr. Justice Strong stated that "the office of a trademark is to point out distinctly the origin or ownership of the article to which it is affixed; or in other words, to give notice who was the producer."[31] In these early decisions, the courts were challenged to consider the development of trademark rights in descriptive geographical or product names. In *Lawrence Manufacturing Co. v. Tennessee Manufacturing Co.*[32], the Supreme Court noted that "if the primary object of the mark be to indicate origin or ownership, the mere fact that the article has obtained such a wide sale that it has also become indicative of quality is not, of itself, sufficient to debar the owner from protection and make it the common property of the trade."[33] In *Elgin National Watch Co. v. Illinois Watch Case Co.*[34], the Supreme Court noted that the office of a trademark is to point out "distinctly the origin or ownership of the articles to which it is affixed."[35] The *Elgin* court continued with the syllogism that "no sign or form of words can be appropriated as a valid trademark which, from the nature of the fact conveyed by its primary meaning, others may employ with equal truth and with equal right for the same purpose."[36] It is noted that these cases required that a term function primarily as a mark in order to be protectable.

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[28] *See*, Continental Motors Corp. v. Continental Aviation Corp. 375 F.2d 857, 860 n.8, 153 U.S.P.Q. 313 (5th Cir. 1967), which stated: "Doubtless, this [amendment] could only serve to broaden, not restrict protection."

[29] Grotrian v. Steinway & Sons, 365 F. Supp. 707, 714-715, 180 U.S.P.Q. 506 (S.D.N.Y. 1975), *modified on other grounds*, 523 F.2d 1331, 186 U.S.P.Q. 436 (2d Cir. 1975).

[30] 80 U.S. (13 Wall) 311, 20 L.Ed. 581 (1872).

[31] *Id.* at 322, 20 L. Ed. at 583.

[32] 138 U.S. 537, 11 S. Ct. 396 (1891). *See also*, Amoskeag Manufacturing Co. v. Trainer, 101 U.S. 51, 53, 25 L.Ed. 993, 994 (1880).

[33] 138 U.S. at 547, 11 S. Ct. at 400.

[34] 179 U.S. 665, 21 S. Ct. 270 (1901).

[35] *Id.* at 673, 21 S. Ct. at 273.

[36] *Id.* In Kidd v. Johnson, the U.S. Supreme Court stated that the "primary object of a trade-mark is to indicate by its meaning or association the origin of the article to which it is affixed." 100 U.S. 617, 620, 25 L.Ed. 769, 770-71 (1880).

One of the most often cited cases in trademark law is *Hanover Star Milling Co. v. Metcalf*[37] in which the United States Supreme Court set out the doctrines adhered to today relating to the rights of innocent junior users in remote areas. In *Hanover*, the Supreme Court held that the "primary and proper function of a trademark is to identify the origin of ownership of the article to which it is affixed."[38] In defining the essential element of the property right in a trademark, the *Hanover* court noted that "[t]he essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."[39]

These cases provide support for the proposition set out in Appeals One and Two of *Anti-Monopoly* that viable trademarks must be "primarily" source related. However, one may look to the nature of the causes of action involved in these Supreme Court cases of yesteryear and better understand why these courts emphasized the source denoting function of trademarks. During this period of development of the law of unfair competition, the cause of action was a common law palming off or deception whereby the wrongdoer induced others to believe that the goods which he was selling were the manufacture of another.[40] Since the 1962 Amendment to Section 32, the Lanham Act cause of action for trademark infringement is more encompassing than this common law doctrine.

In an early break from tradition, Judge Learned Hand in *Bayer Co. v. United Drug Co.*[41] strayed from the strict letter of these Supreme Court decisions and held that a trademark can be valid even though the source identified and promoted is anonymous. Of course, the *Bayer* case is famous for its determination that the word "aspirin" was a generic term at the consumer level. In making this determination, however, Judge Hand held that it would be enough to justify some protection if the term aspirin had in fact come to describe the drug and its origin from a single source even if not specifically known.[42] The "anonymous source" rule has been followed in defining a trademark and the achievement of secondary meaning in a growing number of cases. For example, in *Union Carbide Corp. v. Ever-ready, Inc.*[43] the Seventh Circuit held that the mark had achieved secondary meaning even though the public may not become aware of the manufacturer from which the product emanates, stating "[i]t is sufficient if the public is aware that the product comes from a single, though anonymous, source."[44] The anonymous source principle is an important concept in trademark law because it recognizes that a trademark can validly function as an identifier of the product and goodwill of the product even though the purchaser of a trademark item is unaware of the specific manufacturer.

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[37] 240 U.S. 403, 36 S. Ct. 357 (1916).

[38] *Id.* at 412, 36 S. Ct. at 360.

[39] *Id.* at 413, 36 S. Ct. at 360.

[40] *Id.* at 414, 36 S. Ct. at 360.

[41] 272 F. 505 (S.D.N.Y. 1921).

[42] *Id.* at 509.

[43] 531 F.2d 366, 188 U.S.P.Q. 623 (7th Cir.) *cert. denied* 429 U.S. 830, 97 S. Ct. 91, 191 U.S.P.Q. 416 (1976). *See also* Dan Robbins & Assoc., Inc. v. Questor Corp., 599 F.2d 1009, 1014, 202 U.S.P.Q. (C.C.P.A. 1979); J.T. McCarthy, *Trademarks and Unfair Competition* § 3:3B (1973). Personal origin is the orthodox function of a trademark, but "the source or origin of the goods bearing a well known trademark is seldom known to the consumer." Family Circle, Inc. v. Family Circle Associates, Inc., 332 F.2d 534, 539 (3d Cir. 1964). *See* accompanying Article, Ropski & Johnson, *A Nonobvious Framework for Analysing Proof of Secondary Meaning*, this issue at ____.

In spite of continued, though somewhat spotty, recognition of the doctrine of anonymous source and in spite of the amendment to § 32 of the Lanham Act in 1962, courts continued to allude to the specific source denoting function of a trademark. In *Smith v. Chanel, Inc.*[45] (which is the specific case cited in Appeal One for the Ninth Circuit holding that the only function of a trademark is source denoting), the Ninth Circuit stated that the "only legally relevant function of a trademark is to impart information as to the source of sponsorship of the product."[46] In *Clairol, Inc. v. Gillette Co.*[47], the Second Circuit stated:

> If it can be shown that the term is identified with the manufacturer, that the public is motivated to buy the product because of its source, and that a competing use of the term is likely to produce confusion on the part of consumers, then the manufacturer will have a remedy.[48]

A few cases have recognized the breadth of a modern trademark. Interestingly, the Ninth Circuit in *Siegel v. Chicken Delight, Inc.*[49] did recognize that the trademark or service mark of today serves a broader function than just identifying a particular manufacturer, stating as follows:

> The historical conception of a trademark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trade-mark licensing a widespread commercial practice and has resulted in the development of a new rationale for trade-marks as representations of product quality. This is particularly true in the case of a franchise system set up not to distribute the trade-marked goods of the franchisor, but, as here, to conduct a certain business under a common trade-mark or trade name. . . . [N]either the protection afforded the trade-mark by law nor the value of the trade-mark to the licensee depends upon the source of the components.[50]

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[44] 531 F.2d at 380, 188 U.S.P.Q. at 636.

[45] 402 F.2d 562, 159 U.S.P.Q. 388 (9th Cir. 1968).

[46] *Id.* at 566, 159 U.S.P.Q. at 391.

[47] 389 F.2d 264, 156 U.S.P.Q. 593 (2d Cir. 1967).

[48] *Id.* at 271.

[49] 448 F.2d 43, 171 U.S.P.Q. 269 (9th Cir. 1961), *cert. denied*, 405 U.S. 955 (1972). *See also* Fleischman Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 155, 136 U.S.P.Q. 508, 514 (9th Cir. 1963), *cert. denied*, 314 U.S. 830 (1963).

[50] 448 F.2d at 48-49, 171U.S.P.Q. at 273.

While it is difficult to reconcile the definition of the trademark function in *Siegel* with the one of *Chanel*, it is interesting to note that the Ninth Circuit in both instances demonstrated its dislike for practices which may be construed to be anti-competitive, the practice being in *Siegel* to tie the purchase of materials from the franchisor and in *Chanel* an attempt to limit advertising by competitors. Perhaps, in *Anti-Monopoly* the Ninth Circuit was offended by the long reign of "Monopoly" as an exclusive game and mark and chose the *Chanel* definition to create a higher standard for a producer who had already reaped the benefits of exclusivity through the patent and copyright laws.

The United States Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) in reviewing Patent and Trademark Office decisions on registrability has had an opportunity to decide cases which dealt with the issue of trademark function. An opinion such as *In re D.C. Comics*[51] will provide some balance to *Anti-Monopoly*. In *D.C. Comics*, Judge Nies, concurring with the majority's holding that drawings for toy Superman, Batman and Joker dolls have the legal capacity to function as trademarks, criticized the rationale of the Trademark Trial and Appeal Board in labeling all valid trademark functions as being source related, a rationale similar to that developed in *Anti-Monopoly*. While Judge Nies did not specifically recognize the "anonymous source" rule, she did criticize the Motivation survey type of analysis, stating that "[t]his rationale ignores the reality that the primary objective of purchasers is to obtain the particular goods, not to seek out particular sources or producers, as such."[52]

There is little doubt that the Ninth Circuit's sterile definition of a trademark is the foundation of the *Anti-Monopoly* decision. If the Ninth Circuit had defined a trademark as functioning not only to identify a particular manufacturer but also to identify an anonymous manufacturer and to distinguish the product itself (which are overlapping concepts), the Ninth Circuit would not have been able to utilize its motivational approach. The issue should not have been whether a consumer buys the "Monopoly" game because it likes "Monopoly" and wants that particular game or because it wants a Parker Brothers product. The issue should have been whether the consumer recognizes that "Monopoly" is a brand name and understands that the term "Monopoly" is a product emanating from a single source.

The Ninth Circuit took as its basic premise an anachronistic definition of a trademark and from that definition developed a test embodied in the so-called Motivation survey which created an almost impossible burden of proof for the trademark owner. A trademark and its owner should be given credit for all of its source denoting function, regardless of whether it denotes a particular manufacturer. A trademark denotes source, though not necessarily by name, in developing a goodwill and distinction in the name as it is associated with a particular product itself. That product denoting function is a proper trademark function as long as that trademark does not spill over into defining products of more than one producer. For example, if the consumer understands that a term such as "Monopoly" is used to identify a particular game manufactured by one source whether or not the actual name of the source is known, "Monopoly" or any other mark should be considered valid. As will be discussed, the fact that such recognition may in part stem from patent or market exclusivity should not penalize the trademark owner. To the extent that the *Anti-Monopoly* decisions of Appeals One and Two are based on the outmoded definition of trademarks developed in the Nineteenth Century, the case is not responsive to modern needs.

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[51] 689 F.2d 1042, 215 U.S.P.Q. 394 (C.C.P.A. 1982) (Nies specially concurring).

[52] *Id.* at 1054, 215 U.S.P.Q. at 404.

V. Proper Evidence for Genericism

As mentioned above, the Ninth Circuit embraced the primary significance test of *Kellogg* in deciding that "Monopoly" was generic. Was the Ninth Circuit correct in applying the primary significance test of *Kellogg*? Probably not, because the *Kellogg* test was actually a secondary meaning test applied to a term already judicially held to be generic. Was the Ninth Circuit's reliance on the Motivation survey as evidence in support of the conclusion that "Monopoly" was not a protectable trademark well founded? Clearly not! Although a perfect survey may not exist, the Motivation survey was not relevant to whether a mark is generic since it only asked questions about what motivated consumers to buy the game. These answers do not indicate whether the public regards a name as generic. Furthermore, although there are some product related overtones to the Motivation survey answers, this type of evidence should not be sufficient to defeat a trademark. Trademark laws are designed to protect not only marks which are used primarily to indicate the source of a product or service, but also marks which have some product-identifying attributes as well.

One difficult part of a trademark case involving a genericness issue is deciding what evidence is relevant to genericness. Surveys should not be the end-all to answering the genericism question. Many factors must be considered and balanced in determining whether a mark is generic such as, for example: relationship of mark to a common name for the product (i.e., species v. genus); whether the consuming public regards the mark as a brand identifier or product name or both; how the product is advertised (i.e., whether the mark is properly cloaked with the attributes of a mark or whether the producer wants to link it too closely to the product name); and whether there are competing products sold under different marks or whether the producer is the single source of the product in question (which might bring into play the illusive "*de facto* secondary meaning" doctrine discussed below).

After deciding what factors are relevant for a particular mark, there are difficult decisions as to what evidence properly supports each factor and whether that evidence establishes that a mark properly deserves protection or is a generic name. This is where the Ninth Circuit's approach in *Anti-Monopoly* creates difficulties. While the ultimate result in *Anti-*

Monopoly may have been correct in view of the evidence and the legal doctrines discussed elsewhere in this paper, legal purists can easily be offended by the Ninth Circuit's heavy-handed approach in disregarding the District Court's consideration of the survey evidence of a type given credence in prior cases.[53]

Quoting *Kellogg*,[54] the Ninth Circuit in Appeal One stated that a trademark is valid if "the primary significance of the term in the minds of the consuming public is not the product but the producer."[55] While this shorthand statement might be a convenient general rule of thumb for the genericness test, the Ninth Circuit's opinion actually based its rationale on its definition of a trademark and the decision in *Kellogg* case.

A logical first step in this analysis is to decide whether the *Kellogg* case is proper precedent as applied by the Ninth Circuit. In 1905, some 30 years before the Supreme Court decision, Kellogg had attempted to register the mark "Shredded Whole Wheat" but was denied registration in the face of opposition by a third party who, as early as 1894, had produced and sold shredded wheat as "Shredded Whole Wheat". An appeal to the Court of Appleals for the District of Columbia affirmed the denial of registration. In addition, the term "shredded" was repeatedly used as descriptive of the product in the process patents.[56] Thus, in essence, the term "Shredded Wheat" was generic from its inception. *Kellogg* is therefore distinguishable from Anti-Monopoly since "Shredded Wheat" was generic *ab initio* and the Kellogg Company was attempting to infuse trademark vitality in an already generic term (a virtually impossible task under present law[57]), whereas the Ninth Circuit specifically held that "Monopoly" was not generic at the time it was registered.

Kellogg is also credited by some as requiring that a trademark must function to identify a specific, and not just anonymous, source.[58] However, other courts have held that *Kellogg* is not inconsistent with cases such as *Bayer Co. v. United Drug Co.*, where Judge Learned Hand explicitly recognized that, where the evidence established that a product emanated from a single source, a trademark could be enforced even though the source was anonymous.[59] This so-called "anonymous source" rule and concept, it is submitted, must be a part of a reasonable approach to the genericness issue. Otherwise, the validity of many strong marks that are not linked to a particular producer's name would be in jeopardy. While some may argue that the Ninth Circuit adopted the requirement of specific producer-identity, the fact that the court rejected as significant evidence that 55% of the public associated "Monopoly" with Parker Brothers suggests that the court wanted to steer clear of an association test for the reasons to be discussed hereinafter.

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[53] In their petition for a writ of certiorari, CPG Products Corp. and General Mills Fun Group, Inc. argued that the "substitution of the Court of Appeals' review of the facts for that of the District Judge was a blatant violation of the limiting standard prescribed by Rule 52(a)". Petition at 29. The standard of appellate review is beyond the scope of this paper.

[54] *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 59 S. Ct. 109, *reh'g denied*, 305 U.S. 67[illegible] S. Ct. 246 (1938).

[55] Appeal One, 611 F.2d at 302, 204 U.S.P.Q. at 983. *Quoting Kellogg, supra* note 54, at 118, 59 S. Ct. at 113.

[56] *See* 305 U.S. at 117, 59 S.Ct. at 113.

[57] At the present time most courts take the view that once a mark has become generic no amount of secondary meaning can resurrect it. *See, e.g.*, Reese Publishing Co. v. Hampton International Communications, Inc., 620 F.2d 7, 205 U.S.P.Q. 585 (2d Cir. 1980); Miller Brewing Co. v. Falstaff Brewing Corp., 655 F.2d 5, 211 U.S.P.Q. 655 (1st Cir. 1981). *But see* Singer Manufacturing Co. v. Briley, 207 F.2d 519, 99 U.S.P.Q. 303 (5th Cir. 1953) and note 77 *infra*.

[58] *See, e.g.*, Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655, 144 U.S.P.Q. 617 (7th Cir. 1965); Selchow & Righter Co. v. Western Printing and Lithographing Co., 47 F. Supp. 322 (E.D. Wis. 1942), *aff'd*, 142 F.2d 707 (7th Cir.), *cert. denied*, 323 U.S. 735, 65 S. Ct. 75, 63 U.S.P.Q. 359 (1944).

In considering whether a mark is generic, the dispositive question, as set out in the Lanham Act, is whether the mark is a common descriptive name, thus losing its ability to indicate an origin.[60] Whether *Kellogg* or the Lanham Act test is applied, the real crux is the evidence considered. Factors such as whether the mark has been advertised as a brand name or product name[61], whether there was only a single source for the product over a period of time, or appearance of a term in a generic sense in dictionaries, trade journals or other publications are all relevant to the issue of genericism. Public perception of a mark should be the most important factor in determining genericism.[62]

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[59] 272 F. 505 (S.D.N.Y. 1921). *See* California Apparel Creators v. Wieder of California, Inc., 162 F.2d 893, 74 U.S.P.Q. 221 (2d Cir. 1947), *cert. denied*, 332 U.S. 816, 68 S. Ct. 156, 75 U.S.P.Q. 365; *See also*, Kampgrounds of America, Inc. v. North Delaware A-OK Campground, 415 F. Supp. 1288, 190 U.S.P.Q. 437 (D. Del. 1976); Nissen Trampoline Co. v. American Trampoline Co., 193 F. Supp. 745, 129 U.S.P.Q. 210 (S.D. Iowa 1961).

[60] *See* 15 U.S.C. §§ 1064, 1127 (1976).

[61] The amount and length of time of advertising, as recognized by Professor McCarthy, do not necessarily establish secondary meaning but are circumstantial evidence on that point. *See* J.T. McCarthy, *Trademarks and Unfair Competition* § 15:19 (1973). As to the nature of advertising, such uses of the mark whether in the media, on packaging or with other promotional activities are vehicles through which a producer can educate the consuming public about what to call his product. For example, if Parker Brothers had educated the public that its product was Monopoly brand real estate trading game, the Ninth Circuit might have been swayed the other way. When only one company makes a product, however, the producer must take extraordinary steps to prevent the mark or business symbol selected for the product from becoming its generic designator. An example of a coined name allowed to lose its significance is *Dupont Cellophane Co. v. Waxed Products Co.* where the court observed that "[cellophane] would have served as a useful trade-mark, at least in the beginning, if it had not almost immediately lost ground as such because it was employed to describe the article itself. Indeed, no other descriptive word was adopted." 85 F.2d 75, 77 (2d Cir.), *cert. denied*, E.I. Dupont de Nemours & Co. v. Waxed Products Co., 299 U.S. 601, 57 S. Ct. 194 (1936) and, *cert. denied*, 304 U.S. 575, 58 S. Ct. 1047, *reh'g denied* 305 U.S. 672, 59 S. Ct. 227 (1938). Belated attempts to cloak a product name with trademark attributes have generally been unsuccessful as the Ninth Circuit recognized in Anti-Monopoly. *See also*, Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655, 144 U.S.P.Q. 617 (7th Cir. 1965); Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921).

A. *The Anti-Monopoly Surveys*

The real error of *Anti-Monopoly* lies in its application of (1) its sterile trademark definition that only source-denoting functions are proper for a trademark and (2) the *Kellogg* test to conjure up a categorical product-source dichotomy and conclude that the most pertinent survey evidence was one based on what motivated consumers to buy the game. In Appeal Two, the court had before it no less than four separate surveys. Anti-monopoly, Inc., the declaratory judgment plaintiff, conducted two surveys. The first survey was of the type conducted in *King-Seely Thermos Co. v. Aladdin Industries, Inc.*,[63] where people familiar with business board games like "Monopoly" were asked: "If you were going to buy this kind of game, what would you ask for, that is what would you tell the sales clerk you wanted?" About 80% of the respondents answered "Monopoly."[64] General Mills argued without success that surveys of this type were defective because consumers are more interested in supplying a name without regard to whether the principal significance of the name was an indication of nature or class of an article or indication of its origin. The Ninth Circuit called this survey compelling evidence that an overwhelming proportion of those familiar with the game would ask for it by the name "Monopoly".[65]

The survey conducted by Anti-Monopoly after the Ninth Circuit's first decision was labeled a Motivation survey. This survey found that 92% of the respondents were aware of "Monopoly" as the business board game produced by Parker Brothers. Of that 92%, 62% who indicated that they had either purchased "Monopoly" within the last several years or intended to purchase it in the near future were asked why they had bought or would buy "Monopoly." According to the court in Appeal Two, 82% of them responded with such answers as: they played it as a kid; it was a family game; it was enjoyable; it was fun to play; or it was interesting. The court concluded that this showed that the consumers wanted the product sold under the "Monopoly" mark.

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[62] *See*, Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921) where Judge Hand stated the test as a single fact question:

> What do buyers understand by the word for whose use the parties are contending? If they understand by it only the kind of goods sold, then, I take it, it makes no difference whatever what efforts the plaintiff has made to get them to understand more. . . . [s]o here the question is whether the buyers merely understood that the word 'Aspirin' meant this kind of drug, or whether it meant that and more than that; i.e., that it came from the single though, if one please anonymous, source from which they had got it before.

Id. at 509. *See, e.g.*, In re Vasco Metals Corp., 154 U.S.P.Q. 191 (T.T.A.B. 1967); Fund of Funds Ltd. v. First American Fund of Funds, 274 F. Supp. 517, 156 U.S.P.Q. 545 (S.D.N.Y. 1967).

[63] 321 F.2d 577, 138 U.S.P.Q. 349 (2d Cir. 1963).

[64] Apeal Two at 1323, 216 U.S.P.Q. at 594.

[65] *Id.* at 1324, 216 U.S.P.Q. at 594-95. This type of survey is supported by Prof. McCarthy. *See* J.T. McCarthy, *Trademarks and Unfair Competition* §§12.15 at 434 (1973).

Following literally the example of the Ninth Circuit in Appeal One, the respondents were also presented with two statements and asked which one best expressed the reason for purchasing or planning to purchase the game. In responding to these statements, 65% answered that they were interested in playing "Monopoly" and didn't "much care who makes it" while 32% answered that they like the game because they like Parker Brothers products.[66]

The Trial Two court found that this survey was not entitled to much weight because it did not provide an understanding of the name for which protection is sought, but only why consumers bought "Monopoly."[67] The Ninth Circuit held this was clearly erroneous and relied on its earlier opinion where it stated what was relevant was the *sense* in which a person used the word "Monopoly" when asking for the game by that name.[68]

The Ninth Circuit believed that this survey was substantial evidence that "Monopoly" was generic because 82% of respondents gave supposed product related answers.[69] The weight placed by the Ninth Circuit on this Motivation survey has been criticized, resulting in proposed legislation banning the use of this type of survey in trademark cases.[70]

A third survey conducted by Parker Brothers and considered by the Ninth Circuit was the so-called brand-name survey patterned after one considered in the "Teflon" case, *E.I. Dupont de Nemours and Co. v. Yoshida International, Inc.*[71] This survey was directed to whether the public perceived "Monopoly" as a brand name or a common name by explaining that a brand name is a name like Chevrolet which is made by one company and a common name is automobile which is made by a number of different companies. Sixty-three percent of the respondents recognized "Monopoly" as a brand name and 55% correctly identified Parker Brothers as the manufacturer of "Monopoly." The Ninth Circuit properly rejected this survey, reasoning that "Monopoly" would necessarily have to be a brand name since it is only made by one company and therefore the survey results would tell nothing about the primary meaning of "Monopoly" in the minds of consumers. This comment is instructive as to the court's thinking because it shows the extent to which the Ninth Circuit was bothered by the fact that Parker Brothers was a single source for the game. Even if this survey gave an unbiased definition of brand names, it is most likely that the Ninth Circuit would have rejected it anyway in view of its concern over single source products and marks.

A fourth survey was conducted by General Mills, the so-called "Tide" survey. This survey used questions similar to Anti-Monopoly's Motivation survey in connection with Procter and Gamble's "Tide" detergent. When asked to explain why they bought "Tide," the respondents indicated that about 60% would buy it because it does a good job and 68% because they like "Tide" detergent. The court apparently felt that General Mills was being flippant by introducing such a survey and dismissed it because the "Tide" mark was not at issue, but not without suggesting that Procter & Gamble "might have cause for alarm."[72]

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[66] *Id.* at 1325, 216 U.S.P.Q. at 595.

[67] Trial Two, 515 F. Supp. at 454, 212 U.S.P.Q. at 753.

[68] *See* Appeal Two, 684 F.2d at 1325, 216 U.S.P.Q. at 595.

[69] *See id.* at 1326, 216 U.S.P.Q. at 595.

[70] *See* note 2 *supra.*

[71] 393 F. Supp. 502, 185 U.S.P.Q. 597 (E.D.N.Y. 1975).

Why did the Ninth Circuit accept the Motivation survey? One reason is rooted not in evidentiary considerations or even in the *Kellogg* test. "Monopoly" was the only game of its kind having its specific playing characteristics for over 40 years due primarily to patents and copyrights. The brand name, or Teflon type of survey, led directly into the briar patch of *ipso facto* trademark recognition because the survey respondents could only consider it a trademark as defined in the survey because "Monopoly" did indeed come from only one company. The Ninth Circuit wanted to avoid giving any trademark recognition to "Monopoly" as a result of its single-source status for so many years. In effect, the court penalized Parker Brothers for exercising its right to exclude others from making the patented and copyrighted game during the terms of these legally sanctioned exclusionary rights.

The real criticism of the Ninth Circuit's ultimate holding is that it relied on the wrong type of evidence in holding that the "Monopoly" mark was generic. If the Motivation survey created by the Ninth Circuit is duplicated in connection with famous marks used throughout the country, many of them would quite likely be in jeopardy as demonstrated by the "Tide" survey conducted by General Mills.

The district court's criticism of the Motivation survey was that it "was not designed to gather source-related data but, instead, to assemble a mass of mixed, heterogeneous data from which to argue to this Court that the public purchases MONOPOLY for reasons primarily unrelated to source."[73] Athough 82% of the respondents said that they had bought or would buy "Monopoly" because "they played it as a kid, it was a family game, it was enjoyable, it was fun to play, it was interesting,"[74] common sense tells us that these questions should not be directly related to whether "Monopoly" functions as a trademark. It should be a foregone conclusion that consumers are intelligent enough to buy products because of the product itself and that a trademark owner should not be penalized because of success in marketing a unique or superior product. When the Ninth Circuit embraced this test, it was creating the impossible situation of saying that any mark which generated a favorable response to questions such as these might well be considered generic. This was the point which General Mills attempted to make with the "Tide" survey and which the Ninth Circuit refused to consider at all.

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[72] Appeal Two, 684 F.2d at 1326, 216 U.S.P.Q. at 596.

[73] Trial Two at 453, 212 U.S.P.Q. at 452, quoting from General Mills' brief.

[74] Appeal Two at 1325, 216 U.S.P.Q. at 596.

It would be unfortunate if other courts accepted motivation-type survey results as conclusive indicators of whether marks were generic. It is believed that the question of genericism should turn on various types of survey evidence such as what the consuming public calls the particular product, as suggested by Prof. McCarthy, tempered by evidence on whether the public regards the mark as a brand name or merely the name of a product. The results of surveys such as these should be considered along with other evidence such as whether the fame of the mark resulted from single source status and whether the mark can be found in dictionaries or in other source materials which would tend to indicate there is general acceptance of the mark as a generic name. The type of advertising conducted by the owner of the mark should also play a significant role in this type of analysis. It is submitted that the so-called Motivation survey as to why buyers or potential buyers would buy the product is irrelevant to whether or not the mark is generic because it does not deal with whether the consuming public regards the name as a brand name or the common name of the product.

VI. The Single Source Stigma

The "Monopoly" trademark of Parker Brothers suffered disability before the Ninth Circuit because the game was once covered by a patent and still is made only by Parker Brothers. There is little doubt that the Ninth Circuit gave more than incidental weight to the fact that the "Monopoly" game had once been protected by a patent and Parker Brothers had been able to exclude others from making the game as well as from using the "Monopoly" mark. Indicating its preoccupation with the once-patented status of the game, the court emphasized in Appeal One that the expiration of a patent allows the underlying idea, system or product to pass into the public domain.[75] The court warned that "[t]rademarks. . . . are not properly used as patent substitutes to further or perpetuate product monopolies" and that "[t]he trademark is misused if it serves to limit competition in the manufacture and sales of a product," this being "the special province of the limited monopolies provided pursuant to the patent laws."[76]

The Ninth Circuit's emphasis on the effect of patent expiration is an echo of Supreme Court concern of almost a century ago. In *Singer Manufacturing Co. v. June Manufacturing Co.*,[77] the United States Supreme court in 1896 held the use of "Singer" by the Singer Manufacturing Company was a generic usage based in part upon the fact that all the patents directed to the "Singer" sewing machine had expired. The *Singer* Court held that the expiration of the sewing machine patents necessarily passed to the public "the generic designation of the thing which has arisen during the monopoly. . . ."[78]

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[75] Appeal One at 300, 204 U.S.P.Q. at 981.

[76] *Id.* at 300-301, 204 U.S.P.Q. at 981-982.

[77] 163 U.S. 169, 16 S. Ct. 1002, (1896). In Singer Mfg. Co. v. Briley, 207 F.2d 519, 99 U.S.P.Q. 303 (5th Cir. 1953), the mark was reinstated as a result of extensive efforts by Singer to resurrect it.

There are telling parallels between facts of *Singer* and *Anti-Monopoly*. In *Singer* the Supreme Court futher held that the sewing machines of the Singer Manufacturing Company which carried the "Singer" name throughout the patent periods were all constructed utilizing some unique features protected in some respects by patents held by the company. The *Singer* Court found that these sewing machines represented a general class known to the public under that comprehensive name and, as a distinctive class had become generic.[79]

Other courts have refused to carry the *Singer* rationale this far. We once again turn to *Bayer Co. v. United Drug Co.*,[80] where Judge Learned Hand voiced reluctance to apply *Singer* to the extent urged by the defendent who argued that the expiration of the patents on aspirin was a controlling element in defeating assertion of the trademark. In *Dupont Cellophane Co. v. Wax Products Co.*,[81] a case decided two years before *Kellogg*, the Second Circuit relied more on the descriptive use of the term "cellophane" to identify the product than on the cellophane patents to find genericism. However, in *Kellogg*, the Surpreme Court reemphasized its concern about extending the so-called patent monopoly and stated that "[s]ince during the life of the patents 'Shredded Wheat' was the general designation of the patented product, there passed to the public upon the expiration of the patent not only the right to make the article as it was made during the patent period, but also the right to apply thereto the name by which it had become known."[82]

This concern has also been reflected by Congress through the Lanham Act as initially enacted. Section 14(c) of the Lanham Act was amended in 1962 to remove the limitation of application of the common descriptive name defense only to products "on which the patent has expired."[83] The rationale is that once a patent has expired, the product and process must be available to the public as a whole to use. If a patent owner is able to continue the exclusive use of a common descriptive name, that patent owner will continue to have a residual benefit from an expired patent because new competitors will not be able to use the descriptive term that the public is accustomed to seeing in conjunction with that product. This is considered a restraint on competition and, accordingly, a misuse of a trademark.[84]

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78. 163 U.S. at 185, 16 S. Ct. at 1008.
79. *Id.* at 183, 16 S. Ct. at 1007.
80. 272 F. 505, 509 (S.D.N.Y. 1921).
81. 85 F.2d 75, 77 (2d Cir.), *cert. denied,* E.I. Dupont de Nemours & Co. v. Waxed Products Co., 299 U.S. 601, 57 S. Ct. 194 (1936) and *cert. denied,* 304 U.S. 575, 58 S. Ct. 1047, *reh'g denied* 305 U.S. 672, 59 S. Ct. 227 (1938). However, the court did note that the term "cellophane" was even used in the claims to one of the originel patents. *Id.*
82. 305 U.S. 111, 118, 59 S. Ct. 109, 113, 39 U.S.P.Q. 296, 299.
83. *See* 15 U.S.C.A. § 1064(c) Historical note "1962 Amendment" (1963). *See also* note 14 *supra.*
84. Appeal One at 301, 204 U.S.P.Q. at 982. The Department of Justice expressed such fears regarding the incontestability provision in hearings on the Lanham Act. *Trademarks: Hearings on H.R. 82 Before a Subcomm. of the Comm. on Patents U.S. Senate,* 78th Cong., 2d Sess. 58, 60 (1944).

When a product has been on the market exclusively for a period of time because of patent protection, undoubtedly the public will come to associate that product with a particular manufacturer. Citing *Kellogg*, the Ninth Circuit refused to give trademark credence to an association between a trademark and a single producer.[85] In taking this critical attitude toward Parker Brothers, the Ninth Circuit was applying, though not in name, the doctrine of "*de facto*" secondary meaning: "Even if only one producer—Parker Brothers—has ever made the MONOPOLY GAME, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source identification is its primary significance."[86]

The doctrine of *de facto* secondary meaning basically operates to prevent a single source trademark owner from using as beneficial an evident association between product and source when there is only one source in the marketplace. The doctrine of *de facto* secondary meaning has typically been applied to terms which are very descriptive or even generic. For example, in *Johnson & Johnson v. Carter-Wallace, Inc.*, the court applied the *de facto* secondary meaning doctrine to prevent Johnson & Johnson as the dominant producer of "baby oil" from asserting secondary meaning on the basis of a possible actual association of the term "baby oil" with Johnson & Johnson.[87]

The doctrine of *de facto* secondary meaning has a solid basis. Certainly, there are situations where evidence showing public association between the asserted trademarked product and its sole source should be discounted or even ignored. This is particularly true where the asserted mark is highly descriptive. It would be unfair for the user of a highly descriptive term to be able to support secondary meaning based on a period of exclusive use of the term in the marketplace. It is submitted, however, that the *de facto* secondary meaning doctrine must be applied cautiously—not all sole and exclusive uses of a mark are sinister. If a mark is sufficiently distinctive, as was "Monopoly," perhaps the exclusive user should be able to use as beneficial evidence proof of association between product and source instead of being penalized for having once had a patent.

VII. Other Cases Involving Trademark Rights for Games and Toys

Game and toy owners in general have not fared well in their attempts to protect trademarks they sought to enforce except where the equities weighed heavily in favor of relief. This raises the questions of whether games and toys are unique in the sense that they need some special rules or guidelines to ensure that trademark protection can be obtained and maintained or whether the traditional notions of trademark law are sufficient to protect game and toy owners.

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[85] Appeal One at 302, 204 U.S.P.Q. at 983.

[86] *Id.* In Appeal Two, the Ninth Circuit stated: "It is not, of itself, enough that over 55% of the public has come to associate the product, and as a consequence the name by which the product is generally known, with Parker Brothers." 684 F.2d at 1322-23, 216 U.S.P.Q. at 594.

[87] 487 F. Supp. 740, 745, 205 U.S.P.Q. 827, 831 (S.D.N.Y. 1979), *rev'd on other grounds*, 631 F.2d 186, 208 U.S.P.Q. 169 (2d Cir. 1980). Other cases applying "*de facto* secondary meaning" include, among others, In re Searl & Co., 143 U.S.P.Q. 220, 223 (T.T.A.B. 1964), *aff'd on other grounds*, 360 F.2d 650, 149 U.S.P.Q. 619 (C.C.P.A. 1966); J. Kohnstam, Ltd. v. Lewis Marx & Co., 280 F.2d 137, 126 U.S.P.Q. 362, 364 (C.C.P.A. 1960).

Names of games are probably not protectable as trademarks, if the Ninth Circuit is to be believed, in view of the holding in *Anti-Monopoly* since it is clear that all games are bought for reasons similar to the reasons found in the survey conducted by the defendant in *Anti-Monopoly.* However, a more clearly defined approach to the genericness issue in a toy or game setting with single source overtones is found in *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*,[88] where a genericness of "Yo-Yo" was at issue. While "Yo-Yo" suffered from the same infirmity as several earlier game cases because the name had been associated with the product long before it was marketed by the plaintiff[89] the court appeared to consider the genericness issue independently of that factor.

The court's reasoning as to why "Yo-Yo" was a generic mark was far superior to that of the Ninth Circuit in *Anti-Monopoly.* The court rejected evidence that "Yo-Yo" was associated with the plaintiff as irrelevant to whether a mark had attained secondary meaning. The court also interpreted *Kellogg* as requiring brand association with the particular producer. The Seventh Circuit was more concerned with the name by which the consuming public knew the game, not who made it. The court suggested that a survey could be conducted in which the interviewees would be asked "By what name do you call or know this toy?" or "Do you know this toy as a 'Yo-Yo' or a 'return top'?"[90] In finding that "Yo-Yo" was generic, the court looked at the way the mark was used by plaintiff and commented that the plaintiff was largely responsible for creating the genericness in its advertising even though it later attempted to reclaim "Yo-Yo" from the public domain.[91]

In *Scott v. Mego International, Inc.*,[92] although the name "Microarmour" was found to be generic for small scale replicas of tanks and other armored vehicles, the name "Micronauts" was held to be suggestive. As to "Microarmour", the court keyed on the public's reaction to the mark as to whether it used it in a generic sense. Evidence which the court considered included the type of use in publications such as periodicals and announcements and how the plaintiff actually used the term. The court held that most of the uses of the term "Microarmour" were in a generic sense and even if the mark had not become generic, there was no showing that it had acquired secondary meaning. In connection with the "Micronauts" mark, the court held that the fact that plaintiff used the mark on his line of miniature ships and defendant independently chose the same words in connection with an astronaut was enough to establish that the mark "Micronauts" was suggestive. The court, however, went on to find that there was no likelihood of confusion between plaintiff's and defendant's respective uses of "Micronauts" based on the traditional test for likelihood of confusion. This conclusion was supported by the fact that the United States Patent and Trademark Office had issued registrations for both parties.

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[88] 343 F.2d 655, 144 U.S.P.Q. 617 (7th Cir. 1965).

[89] *See* Chaffee Mfg. Co. v. Selchow, 131 F. 543 (S.D.N.Y. 1904), *aff'd*, 135 F. 1021 (2d Cir. 1905) where the card game "Flinch" had been made and sold by another before the name was used by the plaintiff; Selchow & Righter Co. v. Western Printing & Lithographing Co., 47 F. Supp. 322, 56 U.S.P.Q. 61 (E.D. Wis. 1942), *aff'd*, 142 F.2d 707, 61 U.S.P.Q. 470 (7th Cir.), *cert. denied*, 323 U.S. 735, 65 S. Ct. 75, 63 U.S.P.Q. 359 (1944), where Parcheesi had been a game in India for years and the court found that no one would know whether the plaintiff was the manufacturer of the game since the public knows Parcheesi as a game and not as an article made by the plaintiff.

[90] 343 F.2d at 666, 144 U.S.P.Q. at 625.

[91] This is similar to a ruling on "trampoline" in Nissen Trampoline Co. v. American Trampoline Co., 193 F. Supp. 745, U.S.P.Q. (S.D. Iowa 1961) where the authors, editors and the public had used the term generically for years.

[92] 519 F. Supp. 1118, 213 U.S.P.Q. 824 (D. Minn. 1981).

A case where a trademark on a game was given wide latitude is *Or Da Industries, Ltd. v. Leisure Learning Products,*[93] where "Mr. Brain Builder" was found likely to be confused with plaintiff's registered trademark "Brainy Blocks" for a similar type of children's learning game. The court held that the "Brainy Blocks" name was not generic or even descriptive because the name "in no way conveys an immediate idea of the ingredients, qualities or characteristics of the goods."[94] The overriding factor in this case seemed to be the fact that defendant at one time sold plaintiff's game and decided to manufacture his own strikingly similar version of it. In this case, the two products competed with each other and were on the same shelf. The court found that similarity of names taken in the context of the uniqueness of the product strongly suggested that confusion was likely.

A similar situation existed in *Dan Robbins and Associates, Inc. v. Questor Corp.,*[95] where an opposition to registration of the mark "Li'l Tinker" in conjunction with a fanciful version of the "Tinkertoy" product for children's books was refused. The C.C.P.A. in noting that "it is enough that purchasers can rely on a mark to distinguish products emanating from different sources and a mark need not identify a specific source,"[96] held that since applicant's mark would be used on books sold to generally the same type of consumers who purchased opposer's "Tinkertoy" blocks, likelihood of confusion would exist. The court also found that the "Tinkertoy" mark was not generic and sustained the Trademark Trial and Appeal Board's holding that the evidence "falls ruefully short of establishing that 'TINKERTOY' is devoid of trademark significance."[97] It is interesting to note that there is nothing in the decision which comments or suggests that there is a name for "Tinkertoy" other than the mark itself.

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[93] 479 F. Supp. 710, 205 U.S.P.Q. 1128 (S.D.N.Y. 1979).

[94] *Id.* at 715, 205 U.S.P.Q. at 1133.

[95] 599 F.2d 1009, 202 U.S.P.Q. 100 (C.C.P.A. 1979).

[96] *Id.* at 1014, 202 U.S.P.Q. at 105.

[97] *Id.* at 1014, 202 U.S.P.Q. at 105.

None of these cases shocks the sensibilities as has *Anti-Monopoly*. When courts keep in mind that the correct result in a lawsuit should be based on the weight of the evidence balanced against the equities and the opinion is written in such a way that other cases can follow the decision under our *stare decisis* principles, then courts have fulfilled their proper role. However, when an appellate court independently decides a case and relies on evidence the trial court considered and rejected the decision creates confusion and is open to question. By relying on the so-called Motivation survey rejected by the trial court, the *Anti-Monopoly* case has at least created confusion as well as controversy. From the above consideration of other game and toy cases, it seems that just results can be reached in game and toy cases through traditional trademark considerations and no special rules need to be applied.

VIII. Conclusion

The roots of the *Anti-Monopoly* decision are found in a narrow, archaic definition of a trademark which requires future courts to ignore the definition of marks in the Lanham Act and their role in the modern marketplace. Certainly, trademarks and service marks should be source denoting, but source denoting functions lie in several different planes in modern marketing practice. A trademark can function as a trademark by uniquely identifying a product, so long as the public understands that the trademark is indeed a brand name. The definition of a trademark as espoused by the Ninth Circuit must not be followed because the definition places an almost impossible burden on all mark owners, few of which could survive the court's genericism and trademark function definition as applied through a Motivation survey test.

Is *Kellogg's* "primary significance" test proper? The facts of *Kellogg* were not present in *Anti-Monopoly* since "Shredded Wheat" was generic *ab initio* while "Monopoly" was held to be a proper trademark at least when it was registered. Indeed, few today would dare try to prove secondary meaning and resurrect a term judicially held to be generic since today's courts regard it as an Herculean task. It is submitted that the primary significance test of *Kellogg* need not be applied at all to the question of genericism. The Lanham Act provides a clear and adequate test which is flexible enough to encompass today's necessarily broader trademark function.

Whatever the nature of the test of genericism, the factors that are to be considered by the courts are perhaps more important than the label for the test itself. It is submitted that great weight must be given to the history of useage of the mark. For example, has the owner of the challenged mark properly and consistently used the term as a mark? Or, has the owner tried to use his mark descriptively in order to create initial sales and educate the public as to his product? If the product was once patented, was the challenged mark used descriptively in the patents? Has the owner advertised the mark extensively so as to earn public association between the mark and a single source? Finally, what is the public's perception of the mark? Is it considered a mark or a common descriptive term not signifying origin?

Future courts should not follow the lead of the Ninth Circuit and analyze the reasons for the purchase of a product. The Motivation survey is based on the premise that product related reasons for product purchase are separable from the creation and development of trademark rights. Such an approach sets not only an impossible standard, but also an unfair one. Using the rationale of the Ninth Circuit, the only valid trademark will be on products that have no product significance and that are exactly duplicated by many manufacturers. This view penalizes those who have advanced the state of the art or have been creative in designing their entry into the market.

The single source circumstance is admittedly troublesome. On the one hand, no one wants to extend patent protection beyond the expiration of the patent. The public must be unfettered in its ability to use technology in the public domain, particularly where they have paid the price by honoring a patent for seventeen long years. This concern over patent expiration should not, however, be practiced to the point of paranoia. The owner of the expired patent should not be penalized for having taken advantage of a constitutionally granted right.

As to survey evidence of genericness, there is no such thing as a perfect survey. It is submitted that open-ended questions provide the truest measure of public perception while specific question surveys are more the product of calculated efforts by attorneys and/or pollsters to obtain a desired result. However imperfect surveys are, they may be a reliable way to obtain evidence of public perception of a mark.

Looking to the various surveys in *Anti-Monopoly*, the authors favor the "Teflon" brand name type of survey which attempts to measure public perception of a term as either a brand name or a generic name. While the Ninth Circuit rejected this survey because it was not linked to the issues in the case, there was also a defect in the main question. The definition of a brand name in the survey conducted by General Mills defined brand name as the name of a product produced by *one* company and a common name as the name of a product produced by different companies, which of course, can produce only one result where there is only one producer such as Parker Brothers in the marketplace. The brand name survey should be proper if a proper definition is used, such as a group of examples.[98]

What of the future? The motivation type of survey accepted in *Anti-Monopoly* must not be followed, even in cases where there are factual parallels in terms of single source factors. Furthermore, the modern, more comprehensive view of trademarks must be utilized. The doctrine of *de facto* secondary meaning should be limited to proof of secondary meaning and applied cautiously in aid of the genericism defense.

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[98] *See* Greenbaum, Ginsburg & Weinberg, *A proposal for evaluating genericism after 'Anti-Monopoly'* 73 Trade-Mark Rep. 101 (1983).